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ASEAN Agrees to Common Stand on Bosnia

BK2507080695 Kuala Lumpur THE STAR in English 25 Jul 95

[Report by Harpajan Singh, Shahanaaz Sher Habib, and Jacqueline Ann Surin — received via Internet]

[FBIS Transcribed Text] Bandar Seri Begawan — Asean senior officials have decided to take a common stand on Malaysia's proposal on the need for more decisive action to curb Serb aggression in Bosnia-Herzegovina.

Foreign Ministry secretary-general Tan Sri Ahmad Kamil Jaafar said Asean members recognised the failure of the West to act decisively in the crisis there.

"We are looking to see if we can strengthen the statement on Bosnia. We are not seeking support from Asean on the stand taken by Datuk Sri Dr Mahathir Mohamed... I do not think an Asean consensus is possible on this.

"There is a difference between Asean and the Organisation of Islamic Conference," he told Malaysian journalists after the Asean senior officials' meeting yesterday.

Dr Mahathir had called for the immediate removal of both UN secretary-general Butrus Butrus-Ghali and UN special envoy to Bosnia Yasushi Akashi "for telling lies and worsening the conflict" in the former Yugoslav republic.

Ahmad Kamil said he had also raised Malaysia's willingness to co- chair the peacekeeping activities through the Asean Regional Forum (on security) yesterday.

"This is subject to the decision of others," he added.

On the proposed East Asia Economic Caucus, Ahmad Kamil said the forum ministers would discuss the proposed framework as well as to review and evaluate Asean's direction vis-a-vis developments in the Asia-Pacific Economic Co-operation forum.

"The question is how we proceed from here. We need to re-look or redelegate ourselves over the objectives laid by our forefathers as things are becoming complicated where some issues are slightly more difficult."

He said the Asean forum ministers would also hold a meeting with the three prospective East Asian economies and three European Union economies on Monday to prepare for the Asia-Euro summit next March.

The three East Asian economies are South Korea, China and Japan while Europe will be represented by Italy, Spain and France.

Malaysia Seeks Separate Statement

BK2607121895 Kuala Lumpur THE STAR in English 26 Jul 95

[Received via Internet]

[FBIS Transcribed Text] Bandar Seri Begawan — Malaysia went a step further yesterday to push for a separate Asean statement on Bosnia-Herzegovenia to reflect the grouping's anguish over the handling of the situation in the war-torn country.

Foreign Ministry Secretary-General Tan Sri Ahmad Kamil Jaafar said Malaysia would submit a draft statement to reflect Asean's condemnation of the Serbian aggression of genocide, ethnic cleansing, rape of women and children in Bosnia.

The move for a separate statement comes just a day after Kuala Lumpur had pushed for a paragraph on this be included in the joint communique by Asean Foreign Ministers.

Speaking to Malaysian journalists yesterday, Ahmad Kamil said Kuala Lumpur felt that a separate statement would reflect the grouping's seriousness and anguish over the paralysis of Nato and the United Nations in dealing with the situation.

He said response from other Asean countries on the statement on Bosnia was positive "and it was now a question of looking at elements and formulation."

The Philipines Under Secretary of Foreign Affairs Rodolfo Severino said the joint communique would also include Asean's opposition to nuclear testing.

"Asean feels betrayed that France will begin nuclear testing so soon after the indefinite extention of the Non-Proliferation Treaty," he said.

However, Severino said that France would not be singled out in the statement and that it would be against nuclear testing in general.

Burma Indicates Intent To Sign ASEAN Treaty

BK2407140795 Singapore Radio Corporation of Singapore in English 1000 GMT 24 Jul 95

[FBIS Transcribed Text] In Brunei, Vietnamese Vice Foreign Minister Vu Oanh said Hanoi would also fulfill its commitment towards the creation of the ASEAN Free Trade Area when it becomes a member [of ASEAN]. Myanmar [Burma], on its part, has indicated it intends to sign ASEAN's Treaty of Amity and Cooperation. The move would pave the way for its expected entry into the regional grouping.

Speaking in Bandar Seri Begawan, Thai Permanent Foreign Secretary Thep Thewakun said Myanmar could ratify the treaty next year.

Accession to Treaty Viewed

BK2507090295 Bangkok THE NATION in English 25 Jul 95 pp A1, A3

[Report by Marisa Chimprapha and Kunlachada Chaiphiphat]

[FBIS Transcribed Text] Bandar Seri Bagawan — Burma is expected this week to submit to Asean its formal accession to the Treaty of Amity and Cooperation — the prerequisite to joining the regional grouping.

The submission of "the instrument of accession" to the ongoing annual Asean Ministerial Meeting (AMM) in Brunei will make Burma officially eligible to become a member of Asean under the 1976 treaty, according to an informed Thai Foreign Ministry source.

Burma has already handed to Brunei's Foreign Minister, Prince Mohamed Bolkiah, "the letter of intent", stating its desire to accede to the treaty and to submit the document to the Asean meeting which will officially start tomorrow.

Speaking after the meeting of senior Asean officials yesterday, Mr Thep Thewakun, permanent secretary of the Thai Foreign Ministry, said participants agreed to welcome Burma's accession and to allow Burmese Foreign Minister U Ohn Gyaw to attend the AMM as the guest of Brunei.

Asean, he added, would open the way for Burma to achieve observer status in Asean, but according to Asean protocol, Burma would maintain that status only at the next Asean ministerial meeting in Jakarta next year.

The process of Burma being formally accepted as a full Asean member would be flexible but dependent "on several other factors", said Thep, without elaborating.

But an official Thai source said the transition from observer to member status would depend on Burma's progress on domestic political development and human rights issues.

According to Thep, Asean agreed in the meeting that its policy of "constructive engagement" with Burma was a good approach but it was debatable whether it had helped secure the release of Burma's opposition leader Aung San Suu Kyi from almost six years of house arrest.

However, the controversial policy had helped bring about "positive" political and economic progress since 1989, he argued.

Burma is the only country in Southeast Asia that has not yet acceded to the treaty. Cambodia will become an observer in the Brunei meeting, while Laos and Vietnam acceded to the treaty in 1992 and secured observer status the following year.

Vietnam will become a full Asean member during the current meeting, while Laos has asked for more time to prepare itself.

The Burmese military junta, the State Law and Order Restoration Council (Slorc), expressed its desire to accede to the treaty and subsequently apply for observer status only a few days after it released Suu Kyi on July 10.

Slorc has been criticized for refusing to honour the results of the May 1990 general election in which Suu Kyi's National League for Democracy won in a landslide victory.

The source stressed that Asean members will have difficulty making a decision on Burma's application for observer status.

Japan

Air Accord Revision With U.S. Discussed

OW2407232495 Tokyo MAINICHI SHIMBUN in Japanese 23 Jul 95 Morning Edition p 8

[FBIS Translated Text] Japan and the United States have agreed to start negotiations to review a Japan-U.S. aviation treaty in regard to cargo, with the aim of reaching agreement within six months from September. However, speaking at a press conference on 20 July, Transport Minister Kamei said, "Of course we will also review the unfair treaty in regard to air routes for passenger service after finishing negotiations on cargo issues," using a tone clearly different from that of the U.S. authorities, who said, "We have agreed to start negotiations to review the treaty as regards air routes for cargo, but we do not remember promising to negotiate on routes for passenger flight service."

The United States decided to sit down at the negotiating table to review the treaty's provisions on cargo flights probably because 1) the treaty — which is advantageous to the United States — has become inconvenient; and 2) it is ineffective to hold time-consuming negotiations like the recent talks every time it requests the opening of new routes.

However, regarding passenger flights — for which many companies compete — it may take time for the United States to coordinate the interests of the domestic aviation companies. For this reason, the U.S. Government will hesitate to hold negotiations. The Japanese side sees that the treaty's provisions on both cargo and passenger service should be revised and plans to seek liberalization of flight service without revising the treaty itself, even though an agreement was reached in regard to cargo service.

Dissatisfaction With Aviation Talks Discussed

OW2207134695 Tokyo ASAHI SHIMBUN in Japanese 22 Jul 95 Evening Edition p 1

[From the "Window" column; by unidentified ASAHI SHIMBUN editorial member]

[FBIS Translated Text] The Japan-U.S. aviation talks have finally come to an end.

It is a good news that a sanctions battle [seisai gassen] was avoided. But the outcome provides a very unpleasant feeling when one looks back on the progress of the negotiations. Like the recent Japan-U.S. auto negotiations, the aviation talks, carried a large element of political show.

The showdown in the "skies" also began with the United States taking the action needed to impose sanctions and Japan opposing it. The confrontational mood only escalated and observers began to feel that "the negotiations may break down."

As the negotiations reached the final stage, people started to talk optimistically and ministers begun to attend the talks.

In the history of the Japan-U.S. aviation negotiations, which extend back over a period of 20 years, it is unusual that ministers from each country sat at the negotiation table. It seems the bureaucrats, expecting the ministers would come to the forefront, did their best to publicize the negotiations. When did the negotiations turned into a show?

Transportation Minister Shizuka Kamei visited the United States immediately before the upper house elections. He may want to proudly show off the outcome of his trip to the United States.

The agreement, however, is somewhat questionable. Japan accepted almost unconditionally Federal Express Corporation's demand, made on the strength of the beyond rights argument, to open up new flight routes. In return, Japan's request for new cargo routes to Chicago will be approved. However, Japanese aviation companies are interested in whether or not the imbalance in passenger traffic between the two countries will be revised.

It is hard to understand why the transportation minister assesses the outcome of the negotiations so highly, saying "expanded balance was attained."

We believe the focal point of the Japan-U.S. aviation talks was to revise a situation that is currently in favor of the United States.

To do that, we must make a fundamental revision to the Japan-U.S. Aviation Accord, which was signed in 1952 immediately after the end of the postwar occupation.

Nevertheless, a review of the accord was postponed again, probably because Japanese negotiators did not want to create a stir. We wonder when a "postwar" general settlement of the aviation sector will be made?

Editorial Views Aviation Accord With U.S.

OW2507001895 Tokyo MAINICHI SHIMBUN in Japanese 22 Jul 95 Morning Edition p 5

[Editorial: "We Welcome the Japan-U.S. Aviation Accord, But Must Add It Still Is Not Convincing"]

[FBIS Translated Text] Japan and the United States have arrived at a basic agreement on the aviation issue at a ministerial meeting. The worst possibility, a war of sanctions between Japan and the United States, has been averted. Seen from that viewpoint, the agreement should be accepted and approved.

If we take a look at the main points of the agreement, however, we see that negotiations on the revision of the main treaty, which the Japanese Government has wanted for so long, will concern only cargo service. Full-scale negotiations on passenger service, which is really the key issue, have been put off once again.

The United States' old position of not letting go of rights once gained was maintained throughout the negotiations. Transport Minister Kamei's soft line of "attaching importance to Japan-U.S. relations" can be said to have shown only that the "post-war" Japan-U.S. aviation relationship will continue as it is into the future.

The main point of the agreement is that Japan has accepted the demands of the U.S. air cargo company Federal Express, which were the cause of the dispute, unconditionally granting seven flight routes into Asia via Japan. In turn, Japan Airlines Company and Japan Air Cargo Company will be allowed six cargo flights a week from Kansai International Airport to the United States .

In addition, concerning revision of the aviation treaty, the U.S. Government agreed to begin discussions on cargo service in September.

However, concerning the issue of "beyond rights" for passenger service, which the Japanese Government thinks symbolizes the unfairness of the Japan-U.S. aviation treaty and should be revised, the call for negotiations has been rejected.

The agreement is still a basic one, and details of it are yet to be known. Hence, even though a close study and evaluation needs to be put off until a later date, our frank impression is that important issues were shelved, as in the past.

What is responsible for that, no doubt, is the Japanese Government's preference for "stopgap" measures rather than logical and reasonable ones.

As we have pointed out before, the Japan-U.S. aviation treaty went into effect in 1952 following the "end of the war" [quotation marks as published]. The unfairness in the way it is written is admitted even by the U.S. Government. But the U.S. Government is not about to respond to calls for its revision, saying, "The rights are vested in a treaty."

The basic agreement this time is apparently an extension of that position. In response to the U.S. request to allow an air cargo company to launch new services, the Japanese Government insisted that a revision of the treaty must come first. The U.S. Government in turn kept saying that negotiations on treaty revision must come "after that" (approval of the new routes).

Eventually, the U.S. position won out. Moreover, the part of the negotiations concerning passenger services, the most important part, has not even been touched on.

As it happens, the shape of the "aviation power blocs" that came into being under U.S. leadership after World War II is now about to undergo a major change. For instance, France has annulled its bilateral treaty with the United States; and in Asia, Thailand has annulled its treaty with the United States. These developments may reveal a strong rejection of U.S. leadership.

Recently the United States has advocated an open sky (aviation liberalization) policy. This idea is directed at making the "sky borderless," and is, in principle, worth studying. It should conform to the interest of consumers.

However, while advocating such a policy, the United States within its own borders has a contradictory policy of banning transportation services by foreign companies. That country has no reply if we say, "You are in no position to demand an open sky policy from other countries."

We would like to welcome the fact that a senseless war of sanctions has been averted in the Japan-U.S. aviation dispute. Still, we must say that the result is not convincing to us.

Fuji To Refute Kodak's Complaint 31 Jul

OW2607104495 Tokyo KYODO in English
1016 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — Fuji Photo Film Co. said Wednesday [26 July] it will issue a refutation next Monday of Eastman Kodak Co.'s complaint filed with the U.S. Government over a dispute between the leading Japanese and American film makers.

Fuji Photo's President Minoru Onishi will hold a press conference in Tokyo at 4 P.M. on Monday [0700 GMT 31 July] to issue the refutation. The company will also hold a press conference in Washington at 1 P.M. on Monday (local time), company officials said.

The United States has launched an investigation into Japan's film market under Section 301 of its 1974 Trade Act after Kodak filed a petition with the U.S. Trade Representative's Office in early May to investigate alleged anticompetitive trade practices by Japan that prevent market access for its film.

Reportage on Global Financial Services Accord

Tokyo 'Wedged' Between EU, U.S.

OW2607120195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Jul 95 Morning Edition p 5

[FBIS Translated Text] The Japanese Government is wedged between European nations and the United States in financial services talks under the World Trade Organization (WTO), which are scheduled to end on 28 July. While Japan plans to work on the United States, which has announced its withdrawal from the talks, to come back to the talks, the European Union (EU) is calling on Japan to agree to a tentative agreement without U.S. consent. Since there is smoldering dissatisfaction with Japan within the EU, the Finance Ministry has become anxious about the situation, saying: "Japan might also be labelled bad."

The financial service negotiations started for the purpose of reaching an agreement with WTO member nations and applying the accord equally to each WTO member's market. However, the United States, which has announced its secession from the talks on the grounds that the market in developing countries is not fully opened, plans to adopt a principle of reciprocity for its financial transactions after measuring how much its transaction partners' markets are opened.

Concluding that the United States will not come back to the negotiating table, the EU has proposed concluding "a tentative agreement without the United States." In this connection, EU Deputy Chairman Brittan has strongly called on Japan to agree to the EU proposal at a financial services committee session to be held 21 July, saying: "Other Asian nations have agreed to a tentative agreement."

In response, on the grounds that "the possibility of Washington's taking such unilateral sanctions measures as Article 301 of the Trade Act will increase if it rejects rejoining the talks," Tokyo continues to persistently work on Washington to come back to the negotiations. At present, since Japan sent to President Clinton just late last week Prime Minister Murayama's personal message asking him to reconsider rejoining the talks, Japan "cannot act in concert with the EU unless it receives answers from the United States" (according to a senior Finance Ministry official.)

Particularly, there is a voice within the Japanese Government that "the organizations that can fully enjoy the advantages of the tentative agreement are European financial institutions active in the international market," expressing unpleasant feelings toward the attitude of the EU, which wants an early agreement. Nevertheless, there is also a strong view that Japan will have no choice but to accept the tentative agreement if the United States refuses to come back to the negotiating table. Therefore, Japanese negotiators are at a loss as to what to do.

Temporary Accord Accepted

OW2607111695 Tokyo KYODO in English 1110 GMT 26 Jul 95

[FBIS Transcribed Text] Geneva, July 26 KYODO — Japan accepted Wednesday [26 July] a European-proposed temporary global financial services accord to which the United States is not a party, sources close to the negotiations said.

Japan's acceptance will keep the more-than-nine-year-old talks afloat and clear the way for a temporary pact, effective until the end of 1997, proposed by the European Union (EU) to liberalize banking, insurance and securities markets, despite the U.S. withdrawal.

The financial services negotiations, aimed at bringing banking, insurance and securities industries under international rules, are nearing their Friday deadline, which was extended from June 30 at a proposal of the EU after Washington broke away.

The EU has sought a temporary global pact among World Trade Organization (WTO) members except the U.S. to keep the multilateral talks from falling apart.

The pact will set international rules under which any bilateral market-opening measures in financial services will apply equally to other WTO members under the most-favored-nation (MFN) principle.

The U.S. has rejected this use of the principle, claiming that some Asian nations like India, whose insurance market is state-run, as well as some Central and South American countries are unwilling to meet its requests for market access.

Washington quit the negotiations June 30, arguing that applying the MFN principle to these countries will mean allowing "free riders."

Takemura Supports Pact

OW2607100895 Tokyo KYODO in English 0933 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — Japan will accept a European proposal to strike a global accord on financial services negotiations under the World Trade Organization (WTO) excluding the United States, Finance Minister Masayoshi Takemura indicated Wednesday [26 July].

On a news report to this effect, Takemura told reporters, "I understand the talks are moving ahead in such direction, though a conclusion has yet to be reached."

Japan is making efforts to have a broad consensus on the important trade issue, while taking account of U.S. views, Takemura said.

The financial services negotiations, aimed at bringing banking, insurance and security industries under international rules, were supposed to be concluded by the end of June but were extended for four weeks to July 28 at the proposal of the European Union (EU) after Washington broke away.

The EU has sought a temporary global pact among WTO member nations except the U.S., effective until 1997, with a view to preventing the nine-year-old talks to liberalize banking, insurance and securities markets from falling apart.

Japan's acceptance of the EU's initiative will pave the way to liberalize international financial services transactions by equally applying any bilateral market-opening measures to other WTO members under a most-favored-nation (MFN) principle, government officials said.

The U.S. has rejected such an MFN principle, claiming that some Asian nations like India, whose insurance market is state-run, as well as some Central and South American countries, are unwilling to meet its requests for market access.

Washington quit the negotiations on June 30, arguing that applying the MFN principle to these countries will mean allowing "free riders."

Security Talks With U.S. on FSX Previewed

OW2507124895 Tokyo MAINICHI SHIMBUN in Japanese 21 Jul 95 Morning Edition p 2

[Unattributed article: "Washington Demands Review of Work Share for Mass Production of FSX"]

[FBIS Translated Text] The issue of sharing work in the mass production of the FSX (the next-generation support fighter), which has been developed jointly by Japan and the United States, is expected to be raised for discussion at Japan-U.S. working-level security talks to be held in Tokyo beginning 31 July; the talks will be attended by defense councilors [as published] from the two nations. A Defense Agency source disclosed this on 20 July. While the United States is demanding an increase of its 40 percent of the work share on the grounds of the strong yen and weak dollar, Japan is planning not to put the issue on the agenda of the talks, claiming that "no decision has been made on the mass production of the FSX." This issue is likely to sow the seeds of fresh friction between Japan and the United States.

Japan at first aimed to build the FSX domestically. In 1987, however, Japan decided to develop the FSX jointly with the United States using the F-16 fighter as a model in the face of a backlash from the U.S. Congress and the aircraft industry. The production of the first FSX is near completion and the first test flight is planned for September.

As for the work share between Japan and the United States in producing the FSX, the "Matsunaga-Baker note," which was exchanged between the two countries in April 1989, guaranteed that the "United States will be given about 40 percent of the work share."

The yen has sharply appreciated against the dollar from 130 yen per dollar at the time of the note to the present level of 80 yen per dollar. The United States has informally asked Japan to increase the U.S. work share by insisting that "Japan's work share has increased in the value of the dollar whereas the United States has become unable to secure its 40 percent work share."

Alaskan Oil Unlikely To Cut Trade Surplus

OW2507132095 Tokyo KYODO in English 1243 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Oil exports from Alaska are unlikely to contribute to a sharp cut in Japan's trade surplus with the United States, a top trade ministry official said Tuesday [25 July].

Japan would import Alaskan crude worth no more than billions of dollars a year, the official said.

He was commenting on the passage of a bill by the U.S. House of Representatives on Monday to lift a 22-year-old ban on the export of Alaskan north slope oil.

It is unclear whether Alaskan oil would be price-competitive as the bill requires the use of U.S. tankers to carry it, the official said.

Japan posted a surplus of $55 billion in trade with the U.S. in 1994.

The U.S. Senate earlier passed its version of the bill, and President Bill Clinton intends to sign the legislation.

In the meantime, the Petroleum Association of Japan said the U.S. move to sell Alaskan oil would help Japan reduce its reliance on the Middle East for oil.

But Cosmo Oil Co. expressed caution about importing Alaskan oil, saying the use of U.S. tankers would raise transportation costs and that importers, together with exporters, would be required to pay for limitless damages in case of oil leakage in U.S. territorial waters.

Mitsubishi Oil Co. said the heavy Alaskan crude is not suitable for the Japanese petroleum product market centering on gasoline, kerosene and gas oil.

According to a major Japanese oil company, the daily output of Alaskan crude is limited to 100,000 to 200,000 barrels.

Tokyo Perplexed by Bosnian Issue on NATO

OW2607114995 Tokyo SANKEI SHIMBUN in Japanese 23 Jul 95 Morning Edition p 4

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] is now collecting and analyzing data concerning the international consultations, held by the United States, England, France, and other nations, on the situation in Bosnia, which is a quagmire. The meeting resulted in a chairman's statement on approving massive air strikes by NATO forces on the Bosnian Serb forces.

The Japanese Government is facing difficulty in dealing with the situation because Japan has not been involved in settling the issue from the beginning and the situation there remains uncertain.

The government has decided mainly to support UN activities. When the NATO forces conducted air strikes on a Bosnian Serb arms depot last May, the government said, "we understand that it cannot be helped" (Foreign Minister Yohei Kono), interpreting the action to have been conducted based on a request from the UN Protection Force (UNPROFOR).

The UN participated in the recent international conference that approved massive air strikes. However, once air strikes are implemented, the paradigm of "NATO forces versus Bosnian Serb forces" will be emphasized and it will be difficult to avoid an expansion of fighting. Therefore, concerning the air strikes decision, the government remains ambiguous, saying "there is little possibility for us not to support this" (stated by a MOFA source).

Concerning the possibility of translating the air strikes agreement into action, MOFA notes the situation remains uncertain since: 1) Bosnian Serb forces have not responded to the chairman's statement; and 2) the statement does not declare a deadline for launching air strikes.

Meanwhile, since the air strike decision was made due to the UN's decreasing effectiveness and the desire to settle the issue under NATO leadership, the government is facing difficulties due to its support of the United Nations.

The government plans to continue to support UN activities and to contribute to rescuing refugees. However, since it is unable to be involved in settling the issue directly, the government is becoming increasingly impatient.

Further Response to French Nuclear Test Plan

Boycott Against Products

OW2507095695 Tokyo KYODO in English 0829 GMT 25 Jul 95

[By Susanne Ganz]

[FBIS Transcribed Text] Tokyo, July 25 KYODO — As France appears set to proceed with its planned series of nuclear weapons tests in the South Pacific starting in fall despite international protests, a boycott of French products is gaining ground in Japan.

More than 70 nongovernmental organizations (NGOs) nationwide declared their support for the boycott within days after the Japanese NGO center for international cooperation began promoting the idea among groups involved in environmental and development activities in mid-July.

Center Chief Michio Ito said he was surprised by the quick response as none of the groups had previously been active in the antinuclear or consumers' movements, adding he expects more NGOs to join.

Inspired by consumer boycotts in Australia and New Zealand, the consumers union of Japan began distributing flyers urging people to boycott French goods and France's national carrier Air France until President Jacques Chirac rescinds the test plans.

The boycott call, the organization's first against a country, will also be printed in the union's consumer report, which has a circulation of some 8,000, to be released Thursday.

Several atomic bomb survivors organizations from Hiroshima and Nagasaki, the only cities in the world to sustain a nuclear attack, have spoken out in favor of the action.

One group, the Japan Congress Against Atomic and Hydrogen Bombs (Gensuikin), which is backed by the Social Democratic Party [of Japan], will hold its first rally to promote the boycott in Hiroshima on Saturday.

Kendo Koshiro of Gensuikin's Hiroshima Branch said some 1,000 people are expected to attend.

He said a boycott resolution is scheduled to be adopted at the group's annual world conference, which is set to open in Hiroshima on Aug. 5 with more than 7,000 participants.

The groups are concerned that the underground nuclear explosion at two atolls in the South Pacific will release radiation into the atmosphere.

They also fear that once France has resumed testing, other nuclear powers will also lift their moratoriums, jeopardizing the planned conclusion of a comprehensive test ban treaty by the end of next year.

As the center's Ito put it, "If the tests don't harm the environment as Paris claims, why don't they conduct them in France?"

The only major retailer to take action so far is the camera and electronics discount chain Bic Camera.

Last week, sales clerks at Bic Camera's nine stores in the Tokyo and Yokohama area turned over the price tags on French products and put up posters urging customers to refrain from buying them.

The chain has also ceased stocking products such as Yves Saint Laurent bags and cosmetics, neckties by Christian Dior and Renoma, watches, wines and cognac, which contribute some 1 billion yen to the company's annual 100 billion yen turnover.

The boycott idea has also been aired by opinion leaders. Popular newscaster Hiroshi Kume, upon being told during a TV show that he would receive a wine gift, said he would only accept if it was not from France.

Finance Minister Masayoshi Takemura, who heads minor coalition partner New Party Sakigake, called for a boycott of French products during a stumping tour for Sunday's House of Councillors election.

Alarmed by these latest developments, the French Foreign Ministry on Thursday summoned Japan's Ambassador to Paris Koichiro Matsuura, warning him that a boycott could jeopardize "excellent" bilateral relations.

In response, Tokyo assured Paris that the boycott calls do not reflect the government stance but also defended citizens' right to express their opposition to the nuclear tests.

Cautious about fueling the anti-French movement, the French Embassy in Tokyo has ordered its press officials to stick to a strict policy of "no comment."

It remains to be seen whether common indignation over the planned tests will translate into a widespread boycott as seen in New Zealand, where four out of five consumers are said to leave French products on the shelves.

Yoko Tomiyama, head of the consumers union, expressed optimism, saying other civic groups are considering the boycott.

She also said she has received numerous calls from people who, eager to cooperate, were asking for a list of French goods on sale in Japan.

The center's Ito said it is too early to say whether consumers will heed the calls. "We cannot do much more but raise awareness of the issue. The boycott itself hinges on each individual's readiness to take action," he said.

A spokesman for Mercian Corp., a major distributor of French cognac, champagnes and wines, said Monday the company's sales have not been affected so far.

French Official Interviewed

OW2507131695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Jul 95 Morning Edition p 21

[FBIS Translated Text] Paris, 23 Jul — Claude Mandil, director general of the French Industry and Foreign Trade Ministry's Energy and Resources Bureau, gave an interview to NIHON KEIZAI SHIMBUN in Paris. He maintained that the new Chirac administration will adhere to the energy policy, which stresses nuclear energy. Also touching on Japanese power companies entrusting the reprocessing of used nuclear fuel to France, he indicated his concern that returning the plutonium and high-level radioactive waste to Japan after reprocessing will become less and less possible because of opposition by nations near the transport route and, therefore, it is better to suspend the project as early as possible by operating Japanese reprocessing facilities.

A summary of Mandil's remarks follows:

With regard to the point that nuclear energy is central to the energy policy, the people's consensus has already be formed, thus, there is no reason to change the policy.

The French Government will further promote the effective use of plutonium obtained by reprocessing used nuclear fuel. Presently, 16 out of 55 light water reactors in France are allowed to use mixed plutonium and uranium oxide (MOX) fuel. However, France wants to use MOX fuel in all middle-range reactors.

It is predictable that France's reprocessing Japanese used nuclear fuel and returning plutonium and high-level radioactive waste to Japan will become harder and harder to execute because of opposition by nations near the transport route. For this reason, France is very happy to hear that the plan to construct nuclear fuel reprocessing facilities is making progress in Rokkasho Village, Aomori Prefecture. It is desirable to operate the reprocessing facilities within Japan as early as possible, and thereby suspend the maritime transport.

Designs for a highly safe new-generation light water reactor are being undertaken by the French power company, Framatome, and the German company, Siemens AG, as a joint operation. The new- generation reactor 1) does not leak radioactive materials to the outside even if serious accidents, such as a core melt, happen; 2) can reduce the amount of nuclear waste; and 3) uses only MOX fuel and improves the coefficient of plutonium utilization. It will be possible to commercialize this reactor by 2000.

It has already been decided that the fast breeder reactor, "Super Phoenix," which was developed to breed plutonium, will be converted to a burner reactor, which is used for consumption of plutonium, by 2000. This policy remains unchanged.

SDPJ To Protest French Decision

OW2607103695 Tokyo KYODO in English
1006 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) decided Wednesday [26 July] to launch a campaign protesting France's decision to resume nuclear testing in the South Pacific, SDP officials said.

The decision, made by the SDP's policy-making panel, appeals to people to write letters protesting the French decision and demanding Paris withdraw it, and that they sign signatures for an antinuclear message, they said.

The SDP will also hold a photo exhibit about residents of the Marshall Islands in the South Pacific who were affected by French nuclear tests in the past, they said.

French President Jacques Chirac said last month that France will conduct eight underground nuclear tests in the South Pacific starting in September, which set off a volley of protests from around the world.

Japan lodged a formal protest against the French move last week by calling the French ambassador to the prime minister's office and demanding that France halt the testing.

Foreign Ministry Condemns Hamas Bus Attack

OW2507101095 Tokyo KYODO in English
0947 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Japan on Tuesday [25 July] condemned the militant Muslim group Hamas for the bombing of an Israeli bus near Tel Aviv on Monday, in which six people were killed and nearly 30 injured.

Foreign Ministry spokesman Terusuke Terada said Japan strongly condemns the "terrorism attack aimed at destroying the Middle East peace process" and offered condolences for the victims.

Terada told a press conference that Tokyo urges Israel and the Palestine Liberation Organization (PLO) to continue making efforts, despite the latest development, to reach an early agreement on the interim autonomy.

Hamas claimed responsibility for the bus attack by a suicide bomber in Ramat Gan in the suburbs of Tel Aviv.

Israel and the PLO suspended talks for a few hours after the blast. The negotiations, aimed at expanding the 14-month-old Palestinian rule beyond the Gaza Strip and the west bank town of Jericho to the whole West Bank, are expected to resume within a few days.

EPA's Reports Note Pessimistic Economic Outlook

OW2507104895 Tokyo KYODO in English
1021 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Further signs of a pessimistic economic outlook appeared in three key reports Tuesday [25 July], almost nullifying the government's plan to put the stalling economic recovery on a steady growth track as early as possible.

The situation is likely to force calls for the government to take further stimulus measures in addition to the expected formulation of a second extra budget for fiscal 1995.

If things are left unattended, the economy, which pulled out of the latest slump in October 1993, could be pushed back into another recession, economists warn.

The diffusion index of coincident indicators for current economic trends stood at 30 percent in May, slipping below the "boom-or-bust" line of 50 percent for the first time in 15 months, according to a report released by the Economic Planning Agency.

"The latest reading pointed to weak trends, especially among production-related indicators," the EPA said.

It was the first time for the agency to use the description "weak trend" in a diffusion index report since December 1986.

An EPA official described the downtrend in industrial production as a "conspicuously alarming" factor.

Meanwhile, the agency also revealed more pessimistic results in terms of Japanese consumer sentiment.

The quarterly report said Japanese consumer sentiment regarding livelihood factors and other economic conditions further deteriorated in June.

The EPA said conditions worsened among all five sentiment factors — overall livelihood, income level, prices, employment situation and purchases of durable goods — for the first time since December 1993.

Households' purchases of 28 major durable goods like autos and furnishings were the lowest in the April-June period since the same quarter of 1985, the EPA said.

Another bleak figure is the fourth consecutive month of year-to- year declines registered in supermarket sales in June.

The Japan Chain Stores Association blamed the poor performance on the cool, wet weather which it said dampened sales of clothing and other seasonal goods.

The EPA's index of leading economic indicators reflecting future trends came to 20 percent, sinking below 50 percent for the first time in three months.

The EPA, a government agency often criticized for its optimistic economic assessments, recently acknowledged in its official report that the economic recovery has come to a standstill.

The agency dropped the phrase of "a mild economic recovery" from the July 11 report. It first used the term in the December report after effectively declaring economic recovery in September last year.

Echoing the view, the Bank of Japan also cited "a downward risk" of the economy in a quarterly report released last Friday.

Economists generally regard three consecutive months of a slip below 50 percent in the coincident index as the start of economic contraction.

A diffusion index is calculated by comparing a performance with that three months earlier in 10 key economic indicators, such as industrial production, power consumption, factory utilization, corporate pretax profits, order receipts, department store sales and employment conditions.

Five out of 10 indicators in the coincident index, including industrial production, power consumption and sales at small manufacturers, turned to the negative territory in the latest report.

Two of the 10 remained on the negative side while the remaining three, including department store sales, stayed on the positive side.

Of leading index indicators, 9 out of 10 were in the minus side, except for machinery orders and construction.

EPA Calls for End to 'Closed Policies'

OW2507032495 Tokyo KYODO in English 0203 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — The Japanese economy will stagnate due to flagging consumption and lingering effects of the burst "bubble economy" unless it drops import curbs and regulations on economic activities, the Economic Planning Agency (EPA) said Tuesday [25 July].

"The Japanese economy will have nowhere to go if Japan maintains its closed policies such as import restrictions... [ellipses as received] inward investment curbs and domestic regulations for fear of paying for the costs of adjusting" its economic structure, the agency said in an annual white paper.

The paper, titled "Toward the Revival of a Dynamic Economy in Japan," says conducting such structural adjustments and removing anticompetitive measures will inflict short-term pains to economic sectors to be affected by the necessary adjustments.

"The Japanese economy is now facing a turning point... [ellipses as received] The public faces a choice... [ellipses as received] on whether to start necessary economic structural reforms," it says.

"They (the public) should be aware of the possibility that continuing economic management preoccupied with fears of possible immediate pains (accruing from such reforms) may undermine their own interests in the mid- to long-term," it says.

Japan needs to boost the productivity of its nonmanufacturing industries such as the distribution and telecommunications industries that have benefited from the stronger yen through imports of lower-priced parts and goods, it says.

EPA Chief on Real Economic Growth Target

OW2507041595 Tokyo KYODO in English 0338 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Economic Planning Agency (EPA) Chief Masahiko Komura indicated Friday [21 July] the government may revise down its real economic growth target for fiscal 1995 from the originally set 2.8 percent.

"Attaining the growth target is not easy. But that does not mean it has become impossible," Komura told a press conference.

The government will take stimulus steps with a second extra budget, but if such efforts turn out useless in attaining the goal, the government would lower the original target, said Komura.

Komura indicated the need for more flexibility in the current framework for a budget ceiling that divides spending items in two categories — investment expenditures and recurring spending.

Dividing everything into the two categories would cause inconvenience in efforts to promote economic reforms in Japan, Komura said.

A growth ceiling for fiscal 1995 was set at 5 percent for investment spending but a negative growth of 10 percent was set for the same year for recurring expenditures.

Spending on research and development, for example, is something to be put into the recurring group, said Komura.

Takemura on Further Economic Stimulus Measures

OW2607101095 Tokyo KYODO in English
0927 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — Finance Minister Masayoshi Takemura voiced the government's willingness Wednesday [26 July] to formulate further pump-priming measures to buoy up the feeble economy.

"Stimulus measures will become an important topic in upcoming discussions on next year's budget," Takemura told a press conference.

The comment came amid growing concerns that Japan's economy will fall back into another recession, following the government's recent acknowledgement that economic recovery has come to a standstill.

The government is slated to set a fiscal 1996 budget ceiling for each ministry and agency on Aug. 4.

On currency, Takemura denied allegations that Asian central banks are reluctant to take action to support the dollar's value against the yen.

"Japanese monetary authorities and their counterparts in other Asian nations agree that rapid currency fluctuations are not favorable for global currency markets," Takemura said.

Panel Agrees on Public Money for Loan Disposal

OW2507101995 Tokyo KYODO in English
0952 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — An advisory body to the finance minister agreed Tuesday [25 July] on the conditional use of public money to help dispose of financial institutions' bad loans, Finance Ministry officials said.

A subcommittee on stabilization of the financial system under the Financial System Research Council decided to allow the use of public funds only in case the current system, including Deposit Insurance Corp., cannot cope with bad loan disposal after self-help efforts by financial institutions, the officials said.

The council will discuss necessary conditions for the use of public funds at future meetings, they said.

At Tuesday's meeting, some subcommittee members urged financial institutions to first make such efforts as restructuring and mergers on their own before asking for assistance from the deposit insurance system and the central bank's loans, they said.

A majority of subcommittee members felt that public money should not be used for major commercial banks, they said.

The Finance Ministry told the members that nonperforming loans held by Japanese financial institutions totaled around 40 trillion yen, 10 trillion to 15 trillion yen of which may be irrecoverable, they said.

The subcommittee will hold its next meeting Aug. 8 to discuss the problem of housing loan companies suffering from a huge amount of bad loans, they said.

It will also study how to improve the function of the current deposit insurance system before drawing up an interim report by the end of September, they said.

Land Liquidation With Public Funds Opposed

OW2507095895 Tokyo KYODO in English
0852 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — The banking industry leader voiced opposition Tuesday [25 July] to the use of public money for the liquidation of land put up as collateral for nonperforming loans.

Toru Hashimoto, head of the Federation of Bankers Associations of Japan, said at a press conference that the sale of such lands should be handled in accordance with market principles.

If public funds are injected in property transactions, land prices would be set at higher levels, Hashimoto said, doubting whether such a land policy can gain the people's consensus.

Many land plots were collateralized for bank loans during the late 1980 era of the "bubble" economy. But the bubble's consequent burst caused a price plunge for such land and left much of that frozen.

On rescue of ailing financial institutions, Hashimoto said the first priority should be given to lenders' self-help efforts.

He said next comes the use of the Deposit Insurance Corp.

To this end, the banking industry is ready to raise insurance premiums member banks build up at the corporation for payments in case of bankruptcy, Hashimoto said.

Only if there were no other solutions after maximum efforts within the deposit insurance system, should taxpayers' money be used under strict conditions, Hashimoto said.

For housing loan companies strapped with massive bad loans, Hashimoto said it is difficult to argue the fate of such companies in general terms because their conditions differ from one company to others.

Hashimoto was commenting on remarks made last week by the regional banking industry head in favor of liquidation of housing loan companies rather than reconstruction.

FTC Targets Paper, Book, CD Pricing System

OW2507084395 Tokyo KYODO in English 0815 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Japan's pricing and sales system for newspapers, books and compact discs came under fire Tuesday [25 July] in a report seen as a weapon for the Fair Trade Commission (FTC) to try to destroy the existing system.

The report by a panel established by the fair trade watchdog sparked an immediate firestorm of opposition, not only from the affected industries but also from Education Minister Kaoru Yosano.

The resale price maintenance system, which allows makers to set wholesale and retail prices, may broadly limit competition, keeps prices high even for some items not covered by the scheme, spawns inefficient practices, and its rigid distribution setup may fail to meet users' needs, the panel of academics said.

A subcommittee on the price-fixing scheme submitted the report to the study group on government regulations, etc. and competition policy, which was formed by the FTC to debate the 1953 system.

The panel report "is just the start of the debate," an FTC official stressed repeatedly to reporters, but the newspaper and publishing industries and Yosano immediately cried foul.

Before the panel report was even officially released, Japan Newspaper and Editors Association Chairman Tadao Koike issued a statement blasting the report as seeking to deny free speech and newspapers' role in maintaining democracy.

Yosano told a news conference his ministry is ready to help the newspaper and magazine industry fight back, saying the scholars on the committee "lack the data" to substantiate their criticism since "they do not have experience with the work of producing and distributing copyrighted materials."

Newspaper and publishing workers held a news conference to announce their opposition and a campaign to maintain the system, which they say is necessary to protect Japanese culture.

Strong industry opposition in the past protected newspapers, books and records when the FTC decided to halve the number of products covered by the price-fixing scheme with a special exemption from the antimonopoly law.

The FTC plans to abolish the price maintenance system for the remaining 28 medical products and cosmetics in 1998 and review at the same time the system's coverage of copyrighted items to "limit and clarify" the scheme in line with such trends as deregulation.

The panel listed a host of problems with the system, finding little to support industry claims that the system should be maintained.

For recorded material, which is now almost all in the form of CDs, the report cited a tiny range of prices on domestic recordings, which is far higher than the prices of imported CDs.

In the newspaper industry, three of the five big national dailies, it said, have repeatedly raised prices at almost the same time and others have fallen into line, pushing up newspaper prices much faster than consumer prices as a whole, it said.

The newspaper industry's network of distributors, through home delivery and train station vendors, virtually locks out such competitors as convenience stores from selling broadsheet dailies, it said.

Defending the system, Yukihisa Inoguchi, a member of the Japan Federation of Newspaper Workers Unions, said it ensures that people across Japan can get their newspaper every morning at the same price and roughly the same time.

If different distributors offered different prices, readers would flock to the cheaper ones and timely deliveries through the "zone defense" would be impossible, he said.

For book publishing, the panel report said that while price increases were less than consumer prices for the past 10 years as a whole, they were greater for the past five years and that people feel book prices are high.

Distribution is dominated by middlemen in a system that is slow in filling book orders and in which unsold books are almost always destroyed instead of offered at a discount, it said.

The chairman of the Japan Federation of Publishing Workers Unions, Kazuo Imai, slammed the panel's commercial mind-set, saying it focused exclusively on promoting "good products cheaply."

While such problems as slow orders exist, they are unrelated to the resale system and the industry is making efforts to solve them, Imai said.

He disputed what he said was the panel's notion, driven by trade pressure and simple foreign-domestic price comparisons, that books should be treated like any other commodity.

The Japanese publishing industry "only does its work from Hokkaido to Okinawa," producing Japanese-language products that no one else makes and that have hardly any effect on international trade, Imai said.

The panel failed utterly to recognize that books "are different from ordinary products," said publishing union General Secretary Yasushi Shimura.

Except for the FTC's 1998 deadline, there is no timetable for the panel deliberations or a final report. The speed of the panel's work will be dictated by the complexity of the ensuing debate on the issue, the FTC official said, avoiding any talk of FTC action on the issue.

Reform Committee Compiles Deregulation Items

OW2507024595 Tokyo SANKEI SHIMBUN in Japanese 16 Jul 95 Morning Edition p 3

[FBIS Translated Text] The following are highlights of the report on deregulation compiled by a subcommittee of the government's Administrative Reform Committee.

Land and housing

1. Regulations on the ratio of floor space to land space and housing construction in urban areas should be relaxed.

2. Regulations on land and housing for lease should be eased to increase the supply of such land and housing.

3. Regulations on land for housing should be eased to increase the supply of such land.

4. Regulations on housing construction and import should be eased.

5. The designated plumbers system should be reviewed.

Telecommunications

6. Regulations on first-class telecommunications services should be relaxed.

7. The structure of NTT [Nippon Telegraph and Telephone Corporation] should be reviewed.

8. An auction system should be introduced for the allocation of frequencies.

Distribution

9. The Large-Scale Retail Store Law should be revised.

10. Licensing requirements should be eased for retail stores wishing to sell liquors.

11. Selling sweet sake and other liquors for cooking at grocer's shops should be liberalized.

12. Liquor taxes should be imposed equally.

13. The retail sales of tobaccos should be liberalized.

14. The resale-price maintenance system for designated cosmetics and medical products should be abolished at an early date.

15. Regulations on selling medical products (including selling some medical products at convenience stores) should be relaxed.

Agricultural and marine products

16. The system of shoring up prices of agricultural and marine products should be reviewed. Also, efficiency in farming should be raised.

17. Principles of competition should be introduced under a new food control law.

Transportation

18. Regulations on entry into trucking service and trucking service charges should be reviewed.

19. The system of regulating the number of ships owned by coastal shipping agents and the existing shipping fare agreement should be reviewed.

20. The car inspection system should be reviewed.

Banking, insurance, and securities

21. Requirements for over-the-counter stocks registration should be reviewed.

22. Regulations on the public offering of new stocks issued at market price should be eased.

23. Brokerage commissions should be set freely.

24. The licensing system for securities business should be replaced with a registration system.

25. Regulations on businesses by subsidiaries of banks, securities firms, and credit unions should be relaxed.

26. Regulations on issuing CP (commercial paper) and CP maturity period should be relaxed.

27. Regulations on leasing and credit companies' funds raised by issuing bonds or CP should be relaxed.

28. Restrictions on the domestic circulation of euro-yen bonds should be eased.

29. Regulations on the operation of welfare pension funds should be relaxed.

Energy

30. Regulations on entry into electric power supply business should be reviewed. (Entry into direct supply services should be liberalized).

31. Regulations on importing and selling gasoline should be eased.

32. City gas supply services should be liberalized.

Employment and labor

33. Regulations on fee-charging employment exchange services should be relaxed.

34. Regulations on work force dispatch services should be relaxed.

Medicare and welfare

35. Profit-making corporations should be allowed to run medical institutions.

36. Such corporations should be designated as home nursing providers upon request.

Competition-promoting policies

37. Regulations on establishing holding companies and stockholding by large-scale companies should be abolished.

38. The resale-price maintenance system for books should be reviewed.

Judicial affairs

39. The number of lawyers should be increased greatly.

40. Regulations on the acceptance of foreign lawyers should be eased.

Safety Regulations for Coastal Vessels To Ease

OW2607103395 Tokyo KYODO in English
0901 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — The Transport Ministry said Wednesday [26 July] it will revise ordinances covering safety requirements for fittings on coastal ships.

The revision will be carried out as part of a series of deregulatory measures, and will apply to fireproof constructions, fire-extinguishing equipment, emergency power sources and power lines of ships operating within 100 nautical miles of the Japan coast, the ministry said.

With the revised ordinances, for example, coastal ships will only be required to have fireproof construction for engine rooms and kitchens, the ministry said.

It estimates that the revision will reduce the cost of building coastal vessels by 3 percent.

Diet Antinuclear Ruling To Name France, PRC

OW2507122895 Tokyo KYODO in English
1145 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Japan's tripartite ruling coalition agreed in principle Tuesday [25 July] to expressly mention France and China in a proposed parliamentary resolution opposing nuclear weapons testing, coalition officials said.

At a policy meeting of the three governing parties, several attendants took issue with a general reference to opposition to nuclear tests without singling out France and China.

In July 1973 the Diet adopted a resolution specifically critical of Chinese and French tests, and in May 1974 it adopted a resolution protesting India's underground tests.

The 1973 resolution said that as the sole victim of an atomic bombing, Japan opposes all nuclear tests, and it urged the government to oppose the production, testing, storage and use of nuclear weapons by all countries, as well as calling on China and France to take immediate steps to do so.

Earlier Tuesday, the main opposition party Shinshinto (New Frontier Party) agreed in principle to the coalition's proposal to pass the antinuclear resolution during an upcoming extraordinary Diet session, party officials said.

Support for the resolution has been gathering momentum since French President Jacques Chirac announced June 13 that France would resume underground nuclear testing in September at its South Pacific site on Mururoa atoll, with tests ending next may in time to sign a comprehensive test ban treaty.

China is also conducting tests which it has said will end once it signs the treaty.

House of Representatives Steering Committee Chairman Shozaburo Nakamura said he hopes the resolution can be passed by Aug. 6, the 50th anniversary of the U.S. atomic bombing of Hiroshima in the closing days of World War II, officials said.

They said Nakamura urged the opposition side to quickly prepare the wording of the resolution.

The coalition parties have called for the extraordinary Diet session to begin Aug. 4 and last five days, but the officials said the opposition camp demanded that the short Diet session be limited to a decision on the composition of the House of Councillors and its president.

Shinshinto said it will reserve its decision on the timing of the session and urged Prime Minister Tomiichi Murayama to make a general policy speech relating to the results of Sunday's House of Councillors election and the economy.

Shinshinto made considerable gains in the upper house election at the expense of Murayama's Social Democratic Party [of Japan] and has urged him to step down and call a snap election for the House of Representatives.

Further Reportage on Upper House Poll Results

Igarashi Comments on Outcome

OW2507132595 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0354 GMT 24 Jul 95

[News conference by Chief Cabinet Secretary Kozo Igarashi with unidentified reporters at the Prime Minister's Official Residence conference room at 0202-0212 GMT on 24 July]

[FBIS Translated Excerpt] [Igarashi] Good morning. Earlier, Prime Minister Tomiichi Murayama held a news conference as Social Democratic Party of Japan chairman. As a person who took charge of the official residence during the prime minister's absence, I feel much relieved because no trouble occurred during the House of Councillors election. I appreciate the guards' efforts.

As you know, the three ruling parties reached a decision to maintain the Murayama cabinet through a series of talks, including a meeting of party heads, held from last evening to this morning. So, please continue your favors toward the cabinet. Are there any questions?

[Reporter] From the beginning, Prime Minister Murayama had said that the coalition government's value would be judged by the election outcome. Now you have the election results. What do you think?

[Igarashi] As the prime minister stated, we take the election results seriously. However, the three ruling parties won a majority of seats being contested. Combining those with the seats that were not up for election, we hold about 60 percent of upper house seats. Therefore, as responsible ruling parties, we have said we would firmly support the coalition government. I think it is quite natural for us to say so.

[Reporter] At the earlier news conference, the prime minister made remarks suggesting that, as reported, he indicated his intention to resign at the meeting of the heads of the three ruling parties. Could you explain this more precisely?

[Igarashi] I cannot because this is a matter concerning the prime minister's state of mind.

Needless to say, the prime minister has taken the election outcome seriously. At the same time, he is fully aware of the importance of his post as prime minister. I believe that having that sense of awareness, he made a fresh determination to stay in the post after he discussed various things with the heads of other ruling parties. [passage omitted]

Party Leaders Review Results

OW2607111395

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 1100 GMT on 24 July carries a 160-minute panel discussion program entitled "NHK Special — Voters vs. Political Parties — How Should We Change Politics?" In the program, NHK announcers Masaru Nakajima and Yuko Kuniya moderate the panel discussion by secretaries general of five major political parties: Secretary General Yoshiro Mori of the Liberal Democratic Party (LDP), Secretary General Wataru Kubo of the Social Democratic Party of Japan (SDPJ), acting Secretary General Kozo Watanabe of Shinshinto (New Frontier Party), Secretary General Yukio Hatoyama of Sakigake (Harbinger Party), and Secretariat head Kazuo Shii of the Japan Communist Party (JCP). In the opening, moderator Nakajima notes the two major topics of the panel discussion are parties' perception of voters' judgment shown in results of the upper house election and the parties' responsibility for the lowest ever voter turnout.

In response to a question on Prime Minister Tomiichi Murayama's responsibility for the election results, the SDPJ's Kubo says: "In the sense that it was a judgment on the coalition government, I feel the election results are a sign of public approval of the coalition since it maintained the majority in the upper house. On the other hand, the public judgment was very severe for the SDPJ, which lost many seats. However, I do not think we can afford to replace Mr. Murayama right now since we are coping with urgent tasks. I believe the Murayama administration should remain in charge to handle the tasks." Shinshinto's Watanabe says: "In the first national election after the formation of the SDPJ-LDP coalition, SDPJ seats declined drastically. The public view shows that the SDPJ is much worse than it was when the previous election was held. SDPJ supporters said no to the party's tie-up with the LDP." Sakigake's Hatoyama says: "Our party obtained very negative results in the election. Rather than Mr. Murayama's responsibility, we had to thoroughly discuss whether or not Sakigake should remain in the coalition. We spent about four hours discussing this yesterday, and, to be honest, we are holding another meeting right now. The three parties barely obtained the majority in the upper house. The three parties decided to continue supporting Mr. Murayama; we are now discussing that we cannot do so unless the coalition puts more emphasis on reform policies." The JCP's Shii says: "We have been saying the coalition cabinet should be dissolved."

Commenting on an NHK survey that 49 percent of voters do not want Murayama to stay in his post, Kubo says "the figure must be taken very seriously," but again stresses the Murayama administration should keep grappling with such immediate tasks as economic policies. Asked about tangible pump-priming measures, Kubo notes: "The government and the ruling coalition announced a pump-priming package on 29 June. In addition, the second supplementary budget for fiscal 1995 will become a large-scale package."

Regarding the possibility for reorganizing the three-party coalition under the premiership by an LDP leader, the LDP's Mori says: "During the non-LDP coalition period, the SDPJ and Sakigake adopted a party policy not to allow an LDP-led government. The policy is still in effect while the LDP is the biggest power in the three-party coalition. We should discuss this with the two parties." Sakigake's Hatoyama says: "I think Sakigake may have to leave the coalition if an LDP-led government is formed. That depends on who will become prime minister, but we would have to consider an LDP premiership as a completely new situation. We took part in the new three-party accord formulated after the upper house election to provide a new policy framework for the coalition on the condition that Mr. Murayama would remain in office. We would waste a lot of time if we completely reconstructed the coalition framework, and I do not think we can afford to do that."

Commenting on the lowest ever voter turnout, Mori says: "The 44.5 percent turnout should be considered a crisis of the parliamentary democracy." Hatoyama says: "I would like voters not to give up." Watanabe says: "As the largest opposition party, I feel we are responsible for the low turnout. Unfortunately, we are not strong enough to replace the LDP-SDPJ government even though we beat the LDP in the proportional representative district."

When asked about the parties' strategies for future elections, Kubo says: "To cope with the LDP and Shinshinto, the SDPJ is now calling for a formation of a third power representing workers." Watanabe says: "In principle, the lower house should be dissolved as soon as possible, but voters do not really want an early election because of the stagnant economic situation. As a responsible opposition party, we would like to discuss the supplementary budget as an immediate task."

Business Leaders Welcome Murayama's Stay

OW2607114695 Tokyo MAINICHI SHIMBUN in Japanese 25 Jul 95 Morning Edition p 3

[FBIS Translated Text] In view of the results of the House of Councillors election and the fact that Prime Minister Tomiichi Murayama will stay in his job, arguments for an early dissolution of the Diet are rapidly losing ground in the business circles.

On 24 July, Shoichiro Toyoda, chairman of Keidanren [Federation of Economic Organizations of Japan] asserted that a general election should be avoided until the FY96 budget is passed in spring 1996.

On the other hand, Keizai Doyukai [Japan Association of Corporation Executives] will hold its first meeting with Ichiro Ozawa, secretary general of Shinshinto [New Frontier Party, NFP], on 26 July. With the advances made by the NFP in the last election, business groups, which used to keep a distance from the opposition NFP, are beginning to take steps to restore ties with this party.

Before the Upper House poll, Doyukai Chairman Jiro Ushio said the coalition government had reached its limits. During Keidanren's summer seminar last weekend, many called for an early Diet dissolution.

On 24 July, the day after the election, Toyoda said: "The three ruling parties obtained a majority. The percentage of votes received by the Social Democratic Party of

Japan showed no substantial decline. If we go into a general election, it will not be possible to compile economic pump priming measures for some time." He indicated his support for the present administration until the Asia-Pacific Economic Cooperation (APEC) forum in November and the passage of the budget in spring 1996.

Chairman Jiro Nemoto of Nikkeiren [Japan Federation of Employers' Associations] also welcomed the continuation of the Murayama administration because "this is a time for the whole nation to show determination to overcome the economic crisis."

Among the heads of the four major economic groups, Ushio is the only one who insists that "the prime minister should come from the number one party, the Liberal Democratic Party; a general election should be held soon."

It is believed that apart from the apparent reason of the need to give priority to economic stimulation, other considerations [in supporting the present administration] are: 1) that the economic indices, such as yen depreciation and rise in stock prices, are going up recently; and 2) support for early Diet dissolution may wittingly mean one-sided conformity with the NFP's position.

On the other hand, the business groups are startled by the NFP's unexpected electoral advances, although they claim that "it is really hard to tell until you see the results of the lower house election." Doyukai is expected to discuss politics at its summer seminar starting on 27 July. It has decided to hold its first meeting with NFP's Ozawa "to exchange views with the NFP on its proposed economic package."

Murayma Pledges Administrative Reform

OW2607061795 Tokyo KYODO in English 0458 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — Prime Minister Tomiichi Murayama said Wednesday [26 July] the results of Sunday's House of Councillors election, in which the governing coalition suffered a major setback, show the need for political and administrative reform.

"It is imperative that we resolutely draw up a reform policy and carry it out with determination," Murayama told a gathering of business leaders at a Tokyo hotel.

In the upper house poll, all three partners in the ruling coalition — Murayama's Social Democratic Party, Foreign Minister Yohei Kono's Liberal Democratic Party and Finance Minister Masayoshi Takemura's New Party Sakigake — fared poorly, while the primary opposition party Shinshinto (New Frontier Party) made big gains. The SDP lost especially heavily, taking only 16, the fewest ever for the party in upper house elections. Forty-one SDP seats were up for election in the poll, and the party put up 40 candidates.

Meanwhile, Ichiro Ozawa, chief party strategist of Shinshinto, told top members of the Japan Association of Corporate Executives that he does not expect an early election for the powerful House of Representatives as long as Murayama's administration stays in power.

Ozawa said he could not guarantee that his party would gain a majority in a lower house election based on its big gains in Sunday's upper house election, as predicted by Japanese media.

'A House of Representatives election is different from a House of Councillors election," Ozawa said. "One can't be optimistic."

Kubo's Course of Action Watched

OW2507125195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Jul 95 Morning Edition p 2

[FBIS Translated Text] The Social Democratic Party of Japan [SDPJ] has suffered its worst setback in the upper house elections. It is inevitable that the issue of seeking the party executive department's responsibility will arise. At the same time, attention will be focused on SDPJ Secretary General Wataru Kubo, who has been saying: "I will fight the upper house elections by clarifying (my own) responsibility." At a news conference on the night of 23 July, Kubo announced a view to maintain the framework of the ruling coalition, saying: "We sustained the minimum condition for maintaining the Murayama administration." He avoided clearly saying how he will assume responsibility. Since the number of seats the SDPJ won in the elections is far below the make-or-break point, however, it is possible that he may resign. It is likely that political bargaining may become active between Prime Minister Tomiichi Murayama's support group, which wants to avoid confusion, and a nonsupport group within the party. The SDPJ's recent setback amplified the apprehension within the party about possible dissolution of the House of Representatives for a general election. Therefore, it is highly possible that the confrontation within the party over the concept of forming a new democratic liberal party may be rekindled.

At the news conference, Kubo declared de facto defeat, saying: "The election results are a severe blow to the SDPJ as well as to all of the ruling parties." He then explained the idea of keeping the Murayama cabinet, saying: "I am of the view that the administration should be kept as long as the ruling parties maintain the majority in the upper house."

At the time of the upper house elections, Kubo clearly said: "A secretary general is responsible for election results and I will clarify how I will assume responsibility." Nevertheless, he also said that day that he would "not make a preliminary announcement." Some lawmakers are saying that "he may really resign this time" (according to a Dietmember who supports the prime minister).

The prime minister's support group, which seeks administrative stability, wants to avert, by all means, the possibility of Kubo's resignation developing into an issue of the prime minister's responsibility and causing political confusion. It seems that the prime minister and his close associates will ask Kubo to remain as secretary general. However, some people are talking about a scenario designed to reshuffle the cabinet and offer Kubo a ministerial post. After all, it seems likely that the prime minister's political foundation within the party will become unstable even if the Kubo issue is settled. Some groups, composed of principle and young SDPJ lawmakers who actively support the forming of a new party, are seeking their own movement, saying that "we no longer count on Kubo." Also, a group, led by former SDPJ Chairman Sadao Yamahana, and other SDPJ groups, are still maintaining their solidarity even though the New Democratic League was dissolved.

It seems that some people may seek unification of non-Liberal Democratic Party political forces. Former Hokkaido Governor Takahiro Yokomichi, who some SDPJ members expect to become a star figure for a new party, has been assuming a prudent stance toward the idea of acting in concert with the SDPJ. It is possible that the confrontation over the method of forming a new party, which once became quiet, may come to the fore once again depending on how Yokomichi will act.

Kono on Remaining in Cabinet

OW2607034595 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0802 GMT 25 Jul 95

[News conference by Foreign Minister Yohei Kono with unidentified reporters at the Foreign Ministry conference room at 0509-0520 GMT on 25 July]

[FBIS Translated Excerpt] [Passage omitted] [Reporter] A minister of the Liberal Democratic Party [LDP] is saying that the LDP executive department should take responsibility for the results of the recent elections.

[Kono] I think people have various opinions as individuals. But such an opinion was not expressed at all at the LDP executive and general meetings.

[Reporter] It is said that the cabinet will be reshuffled in early August. But a top government official said that Minister Murayama intends to ask the leaders of the two parties, Kono of the LDP and Takemura of Sakigake [Harbinger], to remain in the cabinet.

[Kono] My understanding is that the Murayama administration is supported by the three pillars: Murayama, Takemura, and myself. It will be a different story if the prime minister has a different view. But I feel that I am responsible for supporting the Murayama administration. I talked about this matter with the prime minister. He asked me to remain in the cabinet and I accepted his proposal.

[Reporter] Do you mean that you will remain in the cabinet as a foreign minister?

[Kono] I do not know that. It is beyond my power to answer your question. The prime minister has the right of personnel management. One cannot appoint oneself to a post.

[Reporter] What about Finance Minister Takemura?

[Kono] Ask Mr. Takemura.

[Reporter] Did three of you agree (to remain in the cabinet)?

[Kono] When the three of us met, I said that naturally, it is a matter of course.

Editorial on Significance of Low Voter Turnout

OW2507125095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Jul 95 Morning Edition p 2

[FBIS Translated Text] What does the low voter turnout mean? Whether Prime Minister Murayama decides to stay in his job or resign based on the results of the upper house election, the most important fact that should be considered is that the majority of voters did not turn out for the polls. This could also be an indication of a weakness in the Murayama government's support base. Now is the time to put this issue to the people by dissolving the lower house and calling for a general election.

The upper house election was the first national election after the 1955 [political] structure collapsed in 1993 and Japanese politics entered an era of coalition rule. It was a by-election for the Murayama administration. The prime minister said that, "the true value of the tripartite coalition government, consisting of the Social Democratic Party of Japan [SDPJ], the Liberal Democratic Party [LDP], and Sakigake [Harbinger], is being questioned," and indicated that the win-or-lose line for the coalition was retaining the 75 seats it held before the election.

To what extent an evaluation of the administration can be undertaken based on the results of the election for half of the upper house seats is open to debate. What was difficult to understand, however, was that even though there was not one election district in which the ruling parties formed a united front, their thinking is to count the total number of seats they obtained in determining the win-or-lose line.

For example, in a district where there was also a candidate from the SDPJ, was voting for either the LDP or Sakigake candidate really affirming trust in the Murayama government? No wonder the voters felt confused.

Weather, to include the typhoon in the Kyushu region, was certainly a factor in the record-low turnout, as was also apathy toward the upper house, which is really second (to the House of Representatives).

However, politically more important is the frustration of the voters who were asked to use the upper house elections as a referendum on the government in power, and this may have lowered the voter turnout. The established political parties were still unable to absorb the uncommitted voters, who had formed a powerful political force during the recent simultaneous local elections, causing them to abstain from voting.

Of course, the crux of the political crisis following the upper house elections is whether Prime Minister Murayama will remain in his job. However, the significance of the low voter turnout should be seriously mulled before any discussion on the number of seats picked up by the three coalition parties. Part and parcel with this is the fact that many voters chose not to positively support the Murayama government.

According to a NIHON KEIZAI SHIMBUN opinion poll prior to the election concerning the desired makeup of the government following the upper house elections, 53.2 percent said they wanted a "new government," and 34.6 percent supported the current tripartite coalition government. However, when those that responded they were "in favor of a new government" were asked what kind of government they wanted, 36.2 percent said they wanted a conservative coalition made up of the LDP and Shinshinto [New Frontier Party]; 28.4 percent, a coalition that excluded the LDP; and 15.7 percent, an LDP government.

Therefore, regardless of whether the prime minister stays or resigns, the debate over who should be in power, based only on the upper house election results, would be essentially meaningless. It would make the most sense to poll the people through a general election of the House of Representatives, which is directly tied to the government's composition.

More than six months have passed since it became possible for the lower house to hold an election under a new system created by redistricting and combining single-seat districts with proportional representation. To apply the brakes to the voters' political apathy observed in the low voter turnout, it is necessary to hold a general election as soon as possible. This would put a stop to the political instability characterizing the transition period after the collapse of the 1955 political system and put the system on a stable track.

Cabinet Ministers on Special Budget Allocations

OW2507054395 Tokyo KYODO in English
0511 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Cabinet ministers Tuesday [25 July] called for special allocations to be set as part of the budgetary ceiling for fiscal 1996, with only Finance Minister Masayoshi Takemura opposed to the idea.

International Trade and Industry Minister Ryutaro Hashimoto called for an increase in spending on research and development under a separate budgetary framework, saying the traditional framework for allocating funds would not allow adequate measures to promote technological development and other urgently needed structural reforms.

Economic Planning Agency Director General Masahiko Komura indicated the need for more flexibility in the current framework for a budget ceiling that divides spending items into two categories — investment expenditures and recurring disbursement.

Posts and Telecommunications Minister Shun Oide called for a special allowance for multimedia-related items, while Construction Minister Koken Nosaka stressed the need for exceptional disbursement to help finance reconstruction in areas devastated by the Great Hanshin Earthquake on Jan. 17.

Transport Minister Shizuka Kamei also called for a new budgetary approach, asking for more spending on national infrastructure development such as railways and harbor construction.

Meanwhile, Finance Minister Takemura sounded negative about setting special allocations.

"Basically, our ceiling policy is not to have special allocations... [ellipses as received] Allowing special allocations one after another would threaten the essentials of a ceiling approach," Takemura said.

Takemura also said the government should not issue public bonds without limit.

Chief Cabinet Secretary Kozo Igarashi, meanwhile, hinted that there might be some flexibility on setting special allocations.

"Some in the Finance Ministry are negative about additional expenditures for certain areas, while some are doubtful about whether it (the traditional ceiling approach) can meet fresh economic and fiscal demands," Igarashi said.

The current fiscal budget contains 300 billion yen in special appropriations for priority public works spending.

Cabinet members agreed in a morning gathering to discuss the approach to budgetary ceilings after Friday's cabinet meeting, Hashimoto told a regular news conference.

On Aug. 4, the government is to set a ceiling for budgetary requests by government ministries and agencies for fiscal 1996, which starts next April 1.

MOF Eyes Large-Scale 2d Supplementary Budget

OW2507064995 Tokyo KYODO in English
0425 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Finance Minister Masayoshi Takemura indicated Tuesday [25 July] the ministry will compile a large-scale second supplementary budget for fiscal 1995.

"We should not have any ceiling on the size of the extra budget...[ellipses as received] We will decide it as a budget in an emergency," Takemura told a press conference.

The government will formulate the extra budget as early as possible in time for spending during the latter half of this fiscal year, he said.

Rejecting calls from other cabinet ministers, Takemura opposed the idea of earmarking special allocations for certain priority fields in setting a budget ceiling for next year.

"Basically, our ceiling policy is without special allocations," he said.

For the current year from April, 300 billion yen in public works spending was reserved outside the framework of the overall budget ceiling.

Takemura said he will meet other cabinet members Friday to coordinate views on a budget ceiling for fiscal 1996, to be set Aug. 4.

On defense spending, Takemura said his ministry will try to check its growth in line with an agreement reached among the three ruling coalition parties on disarmament.

Defense Spending for FY96 Discussed

LDP Seeks Budget Increase

OW2607065395 Tokyo KYODO in English
0410 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — The Liberal Democratic Party (LDP) on Wednesday [26 July] endorsed a proposed 4.1 percent increase in defense spending as outlined by Defense Agency chief Tokuichiro Tamazawa for fiscal 1996 starting next April, party officials said.

The increase is far above the proposed increase of less than 0.855 percent sought by the LDP's key coalition partner, Prime Minister Tomiichi Murayama's Social Democratic Party (SDP), making it certain that wrangling within the ruling coalition over defense outlays lies ahead.

The SDP and LDP have already clashed verbally over defense outlays, earlier this month, after SDP Secretary General Wataru Kubo proposed that the pace of growth in defense spending for fiscal 1996 be kept below 0.855 percent for the current year.

Key LDP policy-maker Koichi Kato has called the increase proposed by Kubo "impossible" and noted, "this is a topic which requires the parties within the coalition to make tremendous efforts to reach agreement."

In a meeting with LDP policy-makers on defense affairs Wednesday, Tamazawa said the agency needs a budgetary increase of 192 billion yen for fiscal 1996, over the current year, in view of obligatory outlays on big-ticket defense equipment carried over from past years and required for the next fiscal year, the officials said.

Some LDP legislators taking part in the meeting said the LDP should withdraw from, and effectively end, the coalition if the LDP cannot make its case on defense spending, they said.

The anticipated increases in costs from obligatory outlays were given as 100 billion yen, while the increase in personnel and food costs was cited as 50 billion yen, they said.

Among other spending categories, Tamazawa expects general expenditures, such as those for military drills, will increase by 42 billion yen, an increase of 0.9 percent, they said.

Takemura Supports Budget Cut

OW2607105595 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0507 GMT 25 Jul 95

[News conference by Finance Minister Masayoshi Takemura with unidentified correspondents at Ministry of Finance conference room at 0206-0224 GMT on 25 July]

[FBIS Translated Excerpt] [passage omitted] [Correspondent] Secretary General Wataru Kubo of the Social Democratic Party of Japan [SDPJ] called for suppression of defense expenditures during election campaigns. He reportedly said you have shown your approval of the Kubo remark. Is this true?

[Takemura] In the three-party accord, the ruling coalition has agreed to seek disarmament. Mr. Kubo said the agreement should be reflected in the fiscal 1996 defense budget: I agree with that idea. In this regard, I said relatively clearly that I support the opinion of the SDPJ. However, I do not have such fixed ideas such as the defense budget growth rate should be around 0.8 percent.

Takemura Hints at Budget Growth

OW2607104995 Tokyo KYODO in English 1043 GMT 26 Jul 95

[FBIS Transcribed Text] Tokyo, July 26 KYODO — Finance Minister Masayoshi Takemura suggested Wednesday [26 July] that the ministry will have to accept some growth in the defense budget for fiscal 1996 starting next April 1.

Takemura said at a news conference, "We have to earmark defense spending, taking into consideration an expected sharp mandatory increase for the next year such as personnel expenses."

The ministry will compile the defense budget, following a worldwide trend toward a reduction in armaments while taking account of financial conditions, Takemura said.

On the defense budget, Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [of Japan, SDPJ] has sought to lower its growth below the previous year's 0.855 percent.

Meanwhile, the Liberal Democratic Party (LDP), the largest force in the ruling coalition, favored Wednesday a request by the defense agency to increase defense spending for the next fiscal year by 4.1 percent from the initial fiscal 1995 budget.

Takemura's comments could suggest he is intending to seek a compromise between the two parties.

Hashimoto Calls for Rules for Technology Budget

OW2507045695 Tokyo KYODO in English 0337 GMT 25 Jul 95

[FBIS Transcribed Text] Tokyo, July 25 KYODO — Japan must adopt new budgetary rules to promote technological development and other urgently needed structural reform, trade minister Ryutaro Hashimoto said Tuesday [25 July].

The traditional budget allocation framework will not allow adequate measures for research and development and promotion of new businesses, information systems and foreign direct investment, the head of the Ministry of International Trade and Industry (MITI) said.

Cabinet members agreed in a morning meeting to discuss the issue of special budget rules after Friday's cabinet meeting, Hashimoto told a regular news conference.

Quoting Finance Minister Masayoshi Takemura as saying economic structural reform is needed but that the budget should be handled under the traditional framework, Hashimoto called for a different approach, suggesting measures such as a separate budgetary framework for extraordinary items.

Lining up in a "great chorus" against finance mandarins' resistance to a new budgetary approach, Hashimoto said, were Science and Technology Agency chief Makiko Tanaka, Posts and Telecommunications Minister Shun Oide, Construction Minister Koken Nosaka, Defense Agency chief Tokuichiro Tamazawa, Education Minister Kaoru Yosano, Justice Minister Isao Maeda, National Land Agency chief Kiyoshi Ozawa and Labor Minister Manso Hamamoto.

The top finance bureaucrat, Vice Minister Kyosuke Shinozawa, expressed opposition Monday to special allocations in the coming budgetary negotiations. The current fiscal budget contains 300 billion yen in special appropriations for public works spending.

Hashimoto also repeated his call for joint handling of a second extra budget for the current fiscal year and the regular fiscal 1996 budget.

Prime Minister Tomiichi Murayama said Monday he wants to set the budget request ceilings for the fiscal 1996 budget as Aug. 4, and the pump-priming extra budget for the year started in April is expected for the fall.

In addition to laying out governmental opposition between MITI and the Finance Ministry, Hashimoto — a powerful chieftain of the Liberal Democratic Party (LDP) — also appeared to clash rhetorical swords with

Takemura, who heads the tiny coalition partner New Party Sakigake [Harbinger].

As finance minister, Takemura "should take his (own) comments seriously," Hashimoto said, belittling Takemura's stance that true structural reform can be achieved under the traditional budget framework.

He also appeared to sharpen his knives against his LDP rival, party chief Yohei Kono, who is foreign minister and deputy prime minister.

Asked about Sunday's House of Councillors election, Hashimoto paused and said it was "extremely severe." The LDP's falling below the main opposition Shinshinto (New Frontier Party) in the proportional representation tally was an "extremely tough result," he said.

"We in the LDP must reflect on the result," said Hashimoto, a potential challenger for Kono, whose term as LDP head ends Sept. 30.

Efforts Regarding New Energy Forms Reported

Roundtable Discusses Solar Energy

952A0615A Tokyo TSUSAN JANARU in Japanese May 95 pp 20-25

[Roundtable Discussion by Kiyoshi Takahashi, advisor to Showa Shell Sekiyu KK; Chiyoji Misawa, presiding director, Misawa Homes; Yoki Kawada, director general, Agency of Natural Resources and Energy]

[FBIS Translated Text] **All-Out Effort at Cost Reduction**

[Kawada] Introduction of new energy is extremely critical from the perspective of establishing energy security, responding to the earth's environmental issues, and creating comfortable and luxurious ecological conditions. Today, we ask that you engage in a discussion of solar electricity generation on which especially large expectations have been placed among the various forms of new energy. Initially, we would like for Takahashi to start with a description of how the issue is being addressed from the standpoint of a manufacturer of solar-energy generation systems.

[Takahashi] Solar-energy generation was in its research stage during the 1980's, covering basic research to validation testing. In the 1990's, a variety of assistance measures were extended by the government, including field tests conducted by the New Energy and Industrial Technology Development Organization (NE&ITDO) beginning in 1992. Further, in December of last year, the New Energy Introduction Outline which provides the basic government plan for introduction of new energy was established, signaling what I believe to be the initiation of the stage in which serious efforts will be made for the widespread installation of new energy systems.

However, new business ventures in this sector face the reality that markets are limited because of high costs and that costs will be slow in dropping because of limited markets. In 1987, solar-cell makers, materials makers, peripheral-equipment makers, electrical-power companies, natural-gas firms, general contractors, and home builders organized a Solar Electrical Generation Forum and have since engaged in a unified effort to reduce costs.

Such movements have been augmented by the launching in fiscal year 1994 of a subsidy system for the introduction of privately owned housing, solar electrical power generation systems. These actions are epochal and we hope to utilize such policies as a basis for lowering costs and seeking wider use of the systems to bring them closer to efficiencies currently established with commercial power generation systems.

[Kawada] Misawa, what are your thoughts from the standpoint of a home builder, in terms of not only solar-energy generation, but in terms of introducing energy conservation and new energy systems in homes on an integrated basis?

[Misawa] In terms of home quality, I look for three factors; i.e., roominess, durability, and energy efficiency. A home presents a major issue in that we use energy daily and use our homes for about 50 years. The difference between energy-efficient and energy-inefficient homes is that the latter will eventually cost twice as much as the former.

Granted that is fact, we often fail to consider such factors. Solar energy generation systems have become eligible for government subsidies beginning this fiscal year, and we have found that the potential interest in such systems exists in that applications substantially outpaced funds available. If people become aware of the long-term benefits of energy-efficient, solar-generation-system-equipped homes, I think we will be able to inspire greater interest on the part of many people in the future.

Glass is a construction material with long-term durability characteristics and I think it would be ideal to build homes with glass-based, solar-energy-generating roofing systems. I think we could witness wider use of such systems if we could develop solar cells which are integrated into building materials.

Global Pacesetter for New Energy

[Kawada] In terms of technology, I think we have finally come to the stage for seeking widespread use, but I believe such a stage requires that we make critical preparations for the systems aspect. The integration of power supplies offered by power companies and electricity created by solar energy systems is called system interconnection, and it was in March 1993 that our agency prepared a guideline. Further, a rate schedule has been issued for the purchase of excess power supplies by electric-power companies, thus providing for wider installation of solar-energy systems from a systems environment viewpoint.

Additionally, in 1992, we implemented policies to introduce solar-energy systems in public facilities and in 1994, we commenced a residential solar-energy monitoring project. Further, as already mentioned by Takahashi, in December of last year, we prepared a New Energy Introduction Outline as basic guidance for adopting new energy systems.

Further, we are seeking simplification and rationalization in electrical safety regulations by introducing a bill to revise the Electric Business Law during the current Diet session. Dispersed, small-scale electrical power sources such as solar energy sources will henceforth be treated as ordinary electrical gadgets in contrast to power generation equipment in the past.

We of the industry are thinking in terms of making Japan a global pacesetter in the area of new energy. In the past, we have not necessarily been rated in such a way, but for the future we would like to exert ourselves so as to implement policy in that direction. Please state your evaluation of government policies in this area.

[Misawa] I assume you are talking about selling solar-energy devices not as electrical power-generating equipment, but as domestic appliances.

[Kawada] Yes. That is the case. Solar-energy systems enable us to capture and convert natural energy into electricity, which is no longer a hazardous process. Therefore, we are thinking of treating them as electrical appliances wherein safety regulations are no longer applicable. Such domestic appliances serve as power-generating units, but we are motivated by the desire that the public become owners of such power-generation capabilities which are gentle to the earth's environment.

[Takahashi] When we spoke of solar-energy systems in the past, we were referring to so-called remote, dispersed electrical sources such as installations on mountain cabin roofs, island water desalinization plants, and remote island lighthouses. Such facilities have become a part of electrical power networks as a result of system interconnections. Further, we will not treat such energy sources as power-generating units, but as solar-energy sources using ordinary commercial gadgets. We would like for everyone to extend their support in winning consumer familiarity and acceptance of such systems as ordinary energy products.

Further, the solar energy industry wishes to place emphasis on three aspects of the New Energy Introduction Outline. First, in the past, solar energy was treated as a substitute for petroleum, but the outline positions it now as a clean energy which is gentle to the earth's environment. Second, the outline assigns the highest of priority to solar energy among the numerous forms of new energy. Third, of major significance is that the outline provides that new energy programs have been designated as the object of government-wide efforts. This approach has provided the industry with very strong encouragement.

Now that we have come to this point, we would like to see the introduction of solar-energy units in academic facilities. Such schools can become eco-schools and the object of research on new energy, while as seen during the recent Osaka-Kobe-Awaji earthquake, schools can serve as emergency shelters. The installation of such systems at schools would provide for critical emergency electrical supplies in the event normal power supplies are disrupted. The outline provides for such contingencies and serves as the basis for much future promise.

[Misawa] Colloquially, we refer to the existence of large numbers as "the existence of 50,000, and once 50,000 solar-energy homes are constructed, I think we will be able to say that such homes are now popular. Even when prefabricated housing reached the annual production level of 50,000 units, we gained the feeling that we had witnessed the creation of a new industry. Even U.S. two-by-four homes reached a level of 50,000 in Japan last year. In such a sense, I believe the figure of 50,000 presents an intriguing number.

The Housing Loan Corporation and the Ministry of Construction must cooperate in the building of energy-efficient homes, since houses limited to the installation of solar-energy systems would only provide for limited results, while there is a need for the Ministry of Construction to exert efforts in the area of basic housing construction technology such as double-glazed windows, high-density insulation, and weather-proofed homes. Fortunately, Housing Loan Corporation augmented loans for such energy-efficient home purchases, coupled with the subsidy system for solar energy systems should accelerate the introduction of such homes. We in the industry are determined to promote solar energy homes even with a bit of cost-sacrifices on the part of our industry. Moreover, we hope that the New Energy

Introduction Outline goal of 400,000 kilowatt hours by fiscal year 2000 can be reached.

[Takahashi] When used in housing construction, we should probably consider solar cells as a new type of building material. When the objective becomes use as a roofing or exterior wall paneling, we should think of appropriate colors and shapes at the design stage.

This will be a supplement to my previous story, but in the outskirts of Zurich, Switzerland, there are freeway sound barriers with solar cells installed wherein power generated is supplied to the regional power company. Recently, a similar system was installed in the outskirts of Soka city, Saitama prefecture, while installation of solar cells on freeway sound barriers provides for a very effective system. Further, if power thus generated is supplied to regional power companies, the public will gain affinity for such systems, albeit the quantity of power generated will be of a limited nature.

Further, when the new prime minister's residence is constructed, we would like to see the installation of a solar-energy system because of the symbolic significance of such an installation.

[Kawada] What is going to be done about maintenance, when solar-energy systems are installed in different regions with a variety of weather conditions?

[Takahashi] In field tests conducted by NE&ITDO, validation tests are being conducted at a variety of regions throughout Japan under varying conditions, but there is no need to think in terms of complex maintenance procedures. Thus, solar energy entails high initial costs, but is maintenance-free and should be highly competitive on a long-term basis.

[Misawa] In terms of seeking future wider use of the technology, what would you think of obligating local public organizations to install street lights powered with solar energy? Another consideration is that many batteries installed on portable radios were dead at the time of the Kobe earthquake. That situation made me feel that perhaps it would be a good idea to make it an obligation to install solar energy power-generating systems for use during disasters and emergencies.

Specific Steps for Installing Solar Systems

[Kawada] The New Energy Introduction Outline calls for the installation of solar-energy systems at the rate of 400,000 kilowatts or 60,000 homes by fiscal year 2000 and 4.6 million kilowatts or 120,000 homes by fiscal year 2010, goals which we intend to reach even if they require an all-out effort. As new forms of solar-energy deployment, we can think of deployment of such systems in foreign areas under international cooperative projects and involvement in disaster prevention and solar-energy generation which was previously referred to by Takahashi and Misawa, but we would like to hear your views on specific developments in the way of introducing solar energy under such new concepts.

[Takahashi] Domestically, we should think in terms of reinforcing existing policies and of pushing projects initially on an experimental basis and eventually on a full-blown scale. And then, separate from domestic programs, we need to think in terms of international deployment. Such efforts will not only contribute to bettering the cultural aspects of life-styles, but are essential in modestly expanding the commercial base for Japan's solar-energy systems.

Reportedly, the population of Southeast Asia is 2.5 billion, while about one billion live in areas with no electricity, pointing to the need for aggressive implementation of aid projects to provide for electrification of such regions, provision of solar energy to power water pumps in desert regions, and installation of solar-energy units on Mongolian tents to provide a power source. We seek consideration for the implementation of a new type of ODA with greater functionality and flexibility and that solar programs be made a part of such aid.

[Misawa] Currently, we have come to the point where the combination of high-density insulation-weather-proofed homes with solar-energy systems enables an 85-percent reduction in energy use. We intend to make further progress and have set a goal of producing a zero-energy-consumption home by the year 2000. If that goal should be reached, that very fact should have a major effect on increased adaptation of solar-energy systems.

In any event, homes that use energy provide for comfortable life-styles. As an example, when multimedia arrives in the household, it will require the use of increased energy consumption. It would seem that such circumstances would lead to the desire for cheaper energy and wider use of solar-energy systems. We are not speaking of saving on household energy costs, but increased comfort with respect to life-styles through the use of energy.

Preventive medicine has taught us that the maintenance of consistent temperatures in the home provides for greater longevity on the part of older citizens. Older people tend to suffer from fatal symptoms under extreme cold or hot conditions, leading to the desire to eliminate such conditions. Maintaining constant temperatures in a home translates into the need to use energy. Even the need to keep the air clean to prevent asthmatic attacks requires us to consume energy. All of these circumstances require us to use energy. Thus, efficient energy use and creation of energy become critical factors.

[Kawada] Future society will undergo an aging of its citizens and advances in information technology, while women will be provided with expanded societal roles. Such social changes point to increased consumption of energy. I believe that we need to engage in expanded studies as to how we can generate and use energy on a more efficient basis in the face of such circumstances. Accordingly, it is important that we integrate the home as a framework and energy issues. However, doing so will be no easy task.

[Misawa] A zero-energy house is still a dream and is certainly not a mass-production-type of housing at the present time, but perhaps that will be the case in the year 2000. In any event, even if we do nothing, future energy consumption will continue to grow. I think we need to do whatever is possible to create homes which consider both energy conservation and energy generation.

[Takahashi] Now that interest has intensified in the area of solar energy from the standpoint of society as a whole as we face the 21st century, I believe now is the time to deal seriously with research and development and market development in light of such trends. We in the solar-energy industry would like to deal with applicable projects with our minds concentrated on the sun and with much hope for the future.

[Kawada] We thank you for your participation in today's discussions.

Update on Solar Energy Industry

952A0615B Tokyo TSUSAN JANARU in Japanese May 95 pp 26-27

[Article by Yukinori Kuwano, chief of R&D, Sanyo Electric]

[FBIS Translated Text] **Current Status and Future Outlook of Solar Energy**

Incipient Commercialization of Solar Energy

The foremost issues begging for resolution by mankind now are probably the "earth's environmental issue" and the "energy issue."

Major attention has been focused recently on solar cells which are capable of directly converting solar rays, a limitless resource, into electricity. Recent rapid changes in the legal apparatus have enabled the installation of systems which operate as individual domestic solar-energy sources linked to standard power distribution systems. This article will cover the current status and future outlook for such systems.

Progress of Solar Cells

The development of solar cells was initially promoted in connection with the oil shock (of 1973) under national projects such as the Sunshine Project, while the last 10 years have witnessed major progress. The ratio for conversion of solar rays into electricity is called the conversion rate, while the initial conversion rate has been boosted by 1.5- to five-fold and solar cell modules in actual use exceed a conversion rate of 10 percent.

Production volume has been increased more than 10-fold in the past 10 years. Costs have gone from 30,000 yen per watt to below 1,000 yen, reflecting a reduction down to less than one-thirtieth.

Application of Solar Cells in Electronic Products

Among the more familiar products using solar cells are calculators. This writer's company commercialized such calculators for the first time in 1980 when it used amorphous solar cells. Later, such cells were used in a variety of electronic products such as wristwatches and radios, and in products such as street-lamps and automotive sun roofs which required somewhat larger power cells.

Use of Solar Cells as an Electrical Power Source

Solar-energy systems using solar cells were initially used to electrify hamlets in developing nations which were not covered by standard electrical networks. Later, they began to appear in individual homes and public facilities in Germany, the United States, and Japan.

Recent changes in Japan in the area of legal systems provide for interconnecting solar-energy systems to standard power networks and selling excess power to electric companies and purchasing power from them when solar systems do not provide adequate electricity. This writer has installed a two-watt solar-energy system in his home in connection with his long-term involvement with the Sunshine Project. The installation has taught me that a solar-energy system of two- or three-watt capacity would be adequate to cover normal household consumption. I have also learned that solar cells produce maximum capacity at peak demand periods and that they are effective as a peak power source.

Thus, the reliability of solar cells has been confirmed, but being a new product, domestic solar-energy systems are still expensive. In fiscal year 1994, the Ministry of International Trade and Industry (MITI) launched an installation subsidy system. In the initial fiscal year, 577 such household installations were subsidized at the rate of 50 percent at a (total cost of two billion yen). Applications in fiscal year 1994 were twice the number accepted, while this fiscal year's program will provide for about double the number accepted last year.

Additionally, a subsidy system has been implemented wherein the government subsidizes two-thirds of the installation costs when a regional public organization installs a solar-energy system and actual progress is being made under the program.

Issues and Actions Associated with Widespread Use of Power-Generating Solar Cells

Commercialization of power-generating solar cells will require cost reductions. Such action will require expansions in production through (1) technical development and (2) creation of new demand.

Item (1) covering technical development is being handled primarily in our nation under the New Sunshine Program. Item (2) covering the creation of new demand is being met by applying previously mentioned subsidy systems, using solar-energy systems as an emergency power source for disaster lifeline communication facilities, and seeking the addition of solar-energy systems to ODA environmental programs for developing nations.

"Project Genesis," a Global Solar-Energy System Designed To Save Mankind

This writer has proposed a Genesis Program as a new system for solving mankind's energy and environmental issues. This program calls for the generation of electricity with solar cells and to transmit such power over superconductive cables of zero resistance, encircling the globe from the daytime world to the nocturnal world.

The first step in realizing such a program will have been reached when each household is equipped with roof-tile solar units, linked with local area networks, further linked with multinational transmission networks, and then tied into global networks. In the future, the government, local autonomous governments, and power companies should provide increased support for solar-energy programs so that we can see the early arrival of the day when we all enjoy the benefits of this clean and immense energy source.

Status of Waste-Power Generation Viewed

952A0615C Tokyo TSUSAN JANARU in Japanese May 95 pp 28-29

[Article by Hideo Ishihara, chief of Energy, Resource Reuse Promotion Department, Ebara Corporation]

[FBIS Translated Text] **Current Status and Future Outlook of Waste Fuel Power Generation**

Introduction

Establishing stable supplies of energy is an issue of highest criticality for our nation, which has experienced oil shocks on two occasions, leading to the necessity for priority introduction of energy which substitutes for petroleum. Further, the earth's environmental problems, especially the need to restrain carbon dioxide emissions which have caused the warming of the earth's surface, make it desirable that we promote the rational use of fossil fuels. On the other hand, when we consider waste disposal from the standpoint of environmental protection, recycling and reduction of final quantities of waste materials are inevitable actions of the times. However, recycling of waste materials face inherent limitations from the standpoint of economics and qualitative effectiveness. Now, if we examine recycling from an energy perspective, we come to the conclusion that it would be most effective to burn combustible waste materials for the creation of energy. Such measures are referred to as thermal recycling and represent one facet of the effective use of waste materials as a substitute for fossil fuels.

New Energy Introduction Outline

In December 1994, the government issued a "New Energy Introduction Outline" and decided to promote the development of new energy that did not use fossil fuels such as petroleum and coal.

Among new energy to be promoted is "waste fuel power generation." MITI plans on combining waste disposal measures and the effective use of energy to boost the current level of waste fuel power generation of 500,000 kilowatts to 2 million kilowatts in fiscal year 2000 and to 4 million kilowatts in fiscal year 2010.

The outline covers a variety of measures to be taken by the government in achieving the goals of the program. As an example, (1) extend aid in the construction of waste fuel power plants and related facilities (including waste-pellet fuel production centers), (2) relax Electric Business Law and regulations governing the setting of prices for electricity purchased from waste fuel generating plants, and (3) extend aid in technical development to enhance the efficiency of waste fuel power generation plants.

Current Status of Waste Fuel Power Generation

As of the end of fiscal year 1992, our nation had 116 waste fuel power generation facilities which operated primarily on the basis of common waste materials, while 51 of those facilities had a record of selling excess power generated. However, this does not mean that most of these facilities aggressively generate power for the purpose of selling excess supplies. One reason is that the chlorine content of waste fuel poses the technical problem of causing boiler tubes to corrode, limiting the steam generated to 300 degrees centigrade, and restraining power-generation efficiency. Further, the current Electric Business Law does not facilitate the easy sale of excess electricity, causing power generation firms to purchase such excess electricity at a considerably low rate. And, looking at the situation from the viewpoint of the buyer, the peculiarities of waste fuel power generation plants do not offer a high-quality, stable source of energy.

Such conditions have been considered in developing a variety of measures to convert waste fuel power plants into major future sources of new energy, to include:

(1) promotion of the use of waste materials as an energy source through conversion to fuel (conversion to refuse-derived fuel (RDF) by converting waste materials into fuel pellets).

(2) development of high-pressure, high-temperature combustion chambers with maximum capacities set at 100 kilograms per square centimeter and 500 degrees centigrade and the development of high-efficiency waste fuel power generation technology such as the development of corrosion-resistant materials.

(3) use of "super waste power generation" providing for efficient power generation by integrated gas turbine power generation technology which boosts lower-temperature steam produced by waste-burning furnaces.

Of the foregoing, we will discuss item (1) which covers RDF power generation using waste materials.

RDF Power Generation

Nationwide, general waste burning facilities total about 2,000, while about 6 percent of these facilities generate electricity, and waste used to generate electricity represents about 30 percent of the total volume available. In the face of such circumstances, even in regions where a variety of restrictions made it impossible to collect common waste materials over a broad area in several autonomous government jurisdictions, the conversion of common waste materials into sanitary, safe, transportable, easy-to-handle, storable, and easily combustible RDF has led to the proposal for the RDF power generation concept involving the accumulation of such fuel in huge quantities and the operation of such facilities at higher efficiencies than can be attained with unprocessed waste-burning power generation plants.

Concerning such concepts NE&IDO conducted hearings in fiscal years 1993 and 1994 with the participation of RDF-production equipment makers and RDF-burning boiler makers, implemented the findings of the "Report on the Research and Survey for Commercialization of RDF Power Generation," and is extending assistance to regional public organizations in conducting surveys to commercialize such operations. The situation is such that we can expect early commercialization.

Electricity generated from industrial waste has reached 100,000 kilowatts. Representative among combustible industrial waste is discarded plastics, but such waste is categorized as a noncombustible and mostly disposed of at burial dumps because of the damage it inflicts on incinerators through the formation of clinkers. However, the Plastic Disposal Promotion Association (Corporation) has conducted "validation tests of dedicated discarded plastic-burning energy recovery systems" and has demonstrated the feasibility of burning discarded plastics for the recovery of high-efficiency energy as long as the appropriate incinerator-boiler system is used.

When it is possible to procure enough RDF or collect enough industrial waste material to efficiently generate electrical power using only one of the two fuels, we have a viable situation, but there are times when such fuels are not available in quantities enabling the attainment of the benefits of scale. Under such circumstances, one waste thermal recycling option that could be exercised would be to accumulate RDF and industrial waste above a prespecified level and then realize high-efficiency energy recovery through combined burning of both fuels.

We should proceed with efforts discussed in this article, in addition to revising the variety of regulations while giving adequate consideration to the special characteristics of waste-burning power generation in an effort to eliminate the foremost restrictive factors and place major expectations on technical development breakthroughs.

Efforts Regarding Natural Gas Autos Discussed

952A0615D Tokyo TSUSAN JANARU in Japanese May 95 pp 30-31

[Article by Sotaro Kishida, chief of Natural Gas Auto Project, Tokyo Gas]

[FBIS Translated Text] **Present Status and Future Outlook of Natural Gas Autos**

Introduction

The "New Energy Introduction Outline" which was approved at the end of last year was of an epochal nature and reflected the first Japanese Government agency basic policy on the introduction of new energy. Clean-energy automobiles were positioned for the near term as an environmental project, while being positioned for the future as a petroleum substitute energy project. The developmental history of the natural gas auto is short and accomplishments in the area are few, but it is very significant that it was officially listed as a low-pollution vehicle along with electric and methanol-fuel cars.

Current Status of Natural Gas Vehicle Use

In Japan, just after World War II, about 1,000 natural gas vehicles were in use in Chiba and Niigata, which are domestic natural gas production centers. However, subsequent availability of petroleum supplies and the widespread use of high-efficiency diesel vehicles led to the demise of natural gas vehicles.

It was four years ago in 1990 that city gas companies played a central role in a serious renewed effort to develop natural gas cars as low-pollution, substitute-energy vehicles. Subsequently, efforts were exerted on conditions of a wide range, seeking widespread use of such vehicles, and we now see the first signs that the principal issues are about to be resolved through the efforts of numerous interested parties. Of special note is that greater-than-expected progress has been realized in the area of improving and relaxing applicable legislation. Specifically, the following revisions have been implemented:

(1) High-Compression Gas Control Law (March 1994)—Covered new standards for and relaxed regulations concerning natural gas service stations.

(2) Gas Business Law (March 1995)—Designated pressurized gas-dispensing equipment as gas equipment.

(3) Fire Prevention Law (April 1995)—Provided for installation of natural-gas-dispensing pumps at gasoline service stations.

Once safety standards under the Road Transportation Vehicle Law are clarified, required action on the improvement and relaxation of applicable legislation will have been completed.

Efforts at natural gas vehicle development shifted from modification of gasoline vehicles to vehicles to substitute for diesel-powered vehicles where greater environmental improvements could be realized and were coordinated with vehicle manufacturers in developing highly efficient low-pollution vehicles for use in inner city areas, such as city buses, two- to four-ton trucks, and trash-collection trucks. Of special note is that city buses were designated by the Ministry of Transport in fiscal year 1994 as pioneering projects and have been undergoing test operations since the end of last year in eight cities such as Tokyo, Osaka, and Nagoya.

On the other hand, development of refueling facilities, which are essential in building required infrastructure, was covered by technical promotion subsidies of the Agency of Industrial Science and Technology under a three-year plan starting in fiscal year 1992 and ending in this fiscal year. The program involved the development of safe, low-cost, rapid refueling and small refueling systems for domestic production, while most of the initial technical development goals have been fulfilled. Somewhat more time will be required for the commercialization of such products.

Natural gas vehicles were initially introduced as owner-operated delivery vehicles by bottled gas resalers, but in February 1993 were designed by the Ministry of Transport as vehicles approved for use by the public. As of January 1995, 382 such vehicles were in use nationwide, with 122 of them being operated by regional autonomous governments for test and evaluation purposes. It is expected that the vehicle count will exceed 500 at the end of fiscal year 1994.

Initially, rapid refueling points were established at city gas resale outlets along with the introduction of natural gas vehicles, but subsequent implementation of MITI's Eco-Station 2000 Program, which provides for infrastructure to support the introduction of low-pollution vehicles, and the Natural Gas Vehicle Promotion Measures Projects have led to the construction of natural gas service stations nationwide using subsidies offered under such programs and projects. As of the end of fiscal year 1994, there will be an expected total of 27 pumps installed including seven pumps operated by city gas resalers, 13 at eco-stations, six at public facilities, and one by a regional autonomous government facility.

Government subsidies and assistance measures concerning the introduction of natural gas vehicles have involved the active implementation of surveys and research including feasibility surveys which inspired such vehicle development and promotional efforts. Further, actual vehicle introductory subsidies have been greatly encouraged by and have taken the form of truck-lease subsidies offered by the All Japan Truck Association and of subsidies by the Pollution Health Damage Compensation and Prevention Association. Further, preferential tax treatment has been expanded significantly since fiscal year 1995 and fiscal investment and loan program funds are expected to be made available.

Future Outlook

It would not be an exaggeration to say that the future outlook for large-scale use of natural gas vehicles at this point in time—when progress is still under way on providing for the basic conditions for such use—is still very obscure. Continued efforts will be made to reach the goal of 200,000 vehicles by the year 2000, but the next one to two years will involve both pilot operations and the initiation of large-scale introductions, reflecting a very crucial stage beyond that of any past phase.

Achieving environmental improvements through the use of low-pollution vehicles will require significant widespread use of such vehicles, but a basic condition which must be met in working toward such a goal is the preservation of current vehicle utilization systems with comparable convenience and economic qualities. Further, all low-pollution vehicle users must be afforded benefits of an undesignated nature.

We must continue to give priority to seeking further safety, convenience, and efficiency improvements and to exerting efforts to lower the costs of vehicles and refueling facilities, but a condition which is indispensable is the creation of nationwide mass demand based on the implementation of the "New Energy Introduction Outline."

However, despite efforts of interested parties, it will be very difficult to achieve economic feasibility and for the near term, it will be important to give priority to the expansion and reinforcement of the current subsidy and assistance systems during the near-term period in which an attempt at widespread use of natural gas vehicles will be made. Additionally, from a long-term perspective, it will be important to consider permanent preferential treatment measures.

Recently, natural gas vehicles have been highly appraised even on an international basis, while especially strong interest has been displayed in nearby West Pacific regional nations, leading to expectations that they will enjoy use as a way to realize widespread environmental preservation.

North Korea

U.S. Told To End 'Hostile Relations'

OW2607113695 Pyongyang KCNA in English 1010 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — The United States must sincerely implement the DPRK-U.S. agreed framework and put an end to its hostile relations with the DPRK, declared Vice Marshal of the Korean People's Army Kim Kwang-chin, member of the Central Military Commission of the WPK, at a national meeting marking the 42nd anniversary of the victory of the Korean people in the fatherland liberation war which was held here today.

Kim Kwang-chin in his report said that the United States must not misjudge the unshakable will of the Workers' Party of Korea, the Korean people and People's Army but discard its old policy of strength toward the Korean question and build confidence with the DPRK.

He continued:

The U.S. war-like elements reinforced huge armed forces of aggression in South Korea and ceaselessly staged joint military exercises under all names replacing Team Spirit nuclear war exercises against the DPRK together with the South Korean puppet army even after the signing of the DPRK-U.S. agreed framework. This gives nuclear threat to the DPRK. Some time ago they staged a large-scale computer war game simulating a Korean war.

The United States is going to hold a ceremony for unveiling "Monument to the Korean War" in Washington to conceal its true colors as the igniter of the war and incite a fever against the DPRK in American society.

If the U.S. bellicose elements continue to pose a nuclear threat to the DPRK through reckless war manoeuvres, the Korean people and People's Army soldiers will run counter to it decisively.

If the United States does not want to repeat disasters of war which took place 40 odd years ago, it must abandon its heinous intention of maintaining the Cold War structure on the Korean peninsula for an indefinite period and invading the whole of Korea in reliance on it, and accept without delay the DPRK's just proposal for establishing a new peace mechanism to replace the old armistice system.

U.S. 'Delegation of Experts' Arrives

OW2607115495 Pyongyang KCNA in English 1034 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — A U.S. delegation of experts arrived here on July 25 by air to participate in the fourth round of the DPRK-U.S. expert-level negotiations concerning the safety storage of spent fuel.

South's Opposition to Festival Denounced

OW2507165995 Pyongyang KCNA in English 1522 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — A spokesman for the "National Unification Board" of South Korea said it was decided not to allow the Panmunjom joint function for the Grand National Reunification Festival marking the 50th anniversary of the country's liberation as the authorities had already "stated", a Seoul-based radio said.

This can not be allowed as it is an intolerable challenge to the 70 million fellow countrymen who wish to bring about a new turn for reunification of the country on the occasion of the 50th anniversary of national liberation.

A joint agreement of the North, South and overseas preparatory committees which was recently published is not the unilateral intention of any side. It reflects the common desire and will of Koreans in the North, South and abroad.

To support or oppose the opening of the Grand National Reunification Festival is a touchstone that distinguishes between patriotism and treachery, reunification and division, dialogue and confrontation.

The South Korean authorities revealed again their real nature as seperatists by not allowing the Panmunjom joint function for the Grand National Reunification Festival.

It must not go unnoticed that the South Korean puppets "sternly warned" the South side preparatory committee over the contact it had with the North side preparatory committee through fax, invoking "Law on Exchange and Cooperation Between North and South" which they had made at will.

It is useful for national reconciliation and unity that divided fellow countrymen meet each other and freely exchange their views. It is no crime by any means.

The South Korean authorities are clamouring for "resumption of dialogue between North and South" and "reconciliation and cooperation", but facts show that they have no intention of negotiation and no will of national reunification and regard confrontation and division as the only way out.

The 70 million fellow countrymen will show no mercy for the Kim Yong-sam group who follow confrontation and division against the trend or the times.

'Divisionist Intention' Cited

SK2607084495 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 25 Jul 95

[Unattributed talk: "Fascist Violence To Frustrate the Joint Holding of a Grand National Reunification Festival at Panmunjom"]

[FBIS Translated Text] With the upcoming grand national reunification festival marking the 50th anniversary of the fatherland's liberation, the North, South, and overseas preparatory committees have recently published a joint agreement on jointly holding a grand national reunification festival on the occasion of National Liberation Day, on forming the National Preparatory Committee for the Grand National Reunification Festival on the 50th Anniversary of the Fatherland's Liberation as a joint body to promote it, and on a detailed program for the festival.

This gives new faith and hope to our fellow countrymen who are filled with great enthusiasm about achieving national reconciliation and unity and opening a transitional phase for reunification in the 90's.

However, the Kim Yong-sam ring of South Korea had a so-called spokesman for the National Unification Board announce that, according to its already released policy, it will not allow the holding of joint events at Panmunjom in a grand national reunification festival marking the 50th anniversary of the fatherland's liberation, which has been agreed upon between the South and North preparatory committees.

Moreover, alleging that the South side's preparatory committee's talks with the North side via facsimile was a violation of the so-called law on South-North exchanges and cooperation, the spokesman blared that the authorities gravely warned against it.

The South Korean rulers' behavior revealed again their evil divisionist intention to block contacts among fellow countrymen by all means and prevent compatriots in the North, the South, and overseas from holding the joint grand national reunification festival on National Liberation Day. This is an intolerable, antinational, antireunification, and fascist act of violence.

The South Korean rulers' fascist violence of disallowing the historic joint national reunification festival and regarding the contact between the North and South preparatory committees as a so-called violation of the law is arousing furious indignation and anger among Korean compatriots at home and abroad.

The Kim Yong-sam ring's maneuver to desperately block the joint holding of the grand national reunification festival at Panmunjom and frustrate the reunification festival is a grave challenge to the national aspiration for reunification and an intolerable disgrace to political parties, public organizations, and people from all walks of life in the North, the South, and overseas who have made efforts in cooperation with the joint events at Panmunjom.

The agreement among the North, South, and overseas preparatory committees, which are carrying out their own activities amid the people's great expections and interest to jointly hold a grand national reunification festival marking the 50th anniversary of the fatherland's liberation, is extremely just and there should be no problem.

If the South Korean fascist clique has a spark of interest in national unity and reunification, it should actively welcome and support the grand nationwide reunification festival planned by civilian organizations. The Kim Yong-sam ring, however, is trying to block the grand national reunification festival, mentioning so-called disapproval, violations of the law, and the like. This is anachronistic, and intolerable under any circumstance.

By nature, separated compatriots and brothers who are living apart do not need someone's prior approval to meet and come together for reunification. Moreover, regarding as a crime the compatriots and brothers' mere desire to meet and grasp each other's hand 50 years after national division is not an act of someone with the blood of the nation.

The South Korean rulers must clearly express which part of the grand festival—which consists of a reunification musical concert, photo and painting exhibitions, and a grand symposium—they object to and which part runs counter to the law, as well as how and why this is the case.

Instead of interrupting the reunification events planned by civilian organizations by committing an antireunification maneuver that no one can welcome, the South Korean rulers should properly deal with unprecedented disasters such as the collapse of Sampoong Department Store, which killed a great number of innocent people.

Having been formed and inaugurated by the national preparatory committee comprised of the North, South, and overseas preparatory committees, the grand national reunification festival at Panmunjom will certainly be successful.

The South side's preparatory committee for joint national events marking the 50th anniversary of the national liberation will smash the civilian fascist rulers' maneuvers to disrupt the festival with the solidarity among all parties, factions, classes, and strata, Their united struggle will stoutly fight to excellently implement the joint agreement.

As agreed upon by the compatriots in the North, the South, and overseas, we will grandiosely hold the joint events at Panmunjom and will make every sincere effort to make the festival a great watershed for reunification in the 90's.

March To Protest Kwangju Decision Begins

SK2607041195 Pyongyang KCNA in English 0406 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — Members of the various-related organisations and citizens in Kwangju, some 100 all told, started "cross-country march" on July 24 in demand of a trial on those responsible for the Kwangju massacre, according to a radio report from Seoul. That morning, they visited the Mangwoldong Cemetery in which bodies of Kwangju uprisers lie buried and declared that they would start "crosscountry march" to bring the culprits of the Kwangju massacre to trial.

They would reportedly conduct a signature campaign and rallies while touring major cities of South Korea from July 24, and would arrive at "Chongwadae" [presidential offices] on foot around August 7 to hold a negotiation with Kim Yong-sam.

Mun Ik-hwan's Widow Visits Film Studio

OW2607113895 Pyongyang KCNA in English 1017 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — Presbyter Pak Yong-gil, widow of Rev. Mun Ik-hwan, chairperson of the 70 million Korean People's Meeting for Embracing National Unification and co-chairperson of the Family Movement for Realizing Democracy in South Korea, visited the Korean Film Studio on July 25.

She was accompanied by a Japan-resident Korean Chong Kyong-mo, representative of the magazine SSIALUI HIM.

She went round the location streets, recording rooms, indoor filming hall and other places and wrote down her impressions in the visitor's book.

She appreciated a music and dance performance given by artistes in Pyongyang at the Ponghwa Art Theatre on the evening of July 24.

Pastor Discusses Reasons for 'Defection'

OW2507093695 Pyongyang KCNA in English 0500 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — South Korean Rev. An Sung-un came over to the northern half of Korea some time ago.

His wife, son and two daughters are now in South Korea.

Noting what motivated him to come over here, he said:

"I was dispatched to the Yanbian area of China on a mission given by the puppet Agency for National Security Planning [ANSP] to allure cadres of the northern half of Korea. Meeting some persons from the DPRK, I deeply realised it would be an indelible crime against the country and the nation to entice them, and gave up my mission of my own accord.

"The puppet ANSP pressed me almost every day to do my mission and openly threatened my personal safety at the end.

"Therefore, I have come over here with a view to getting rid of impending personal danger and committing no crime against the country and the nation."

He is now much pleased with his successful defection.

WPK Official Meets PRC Party Delegation

OW2507165795 Pyongyang KCNA in English 1513 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — Secretary of the Workers' Party of Korea [WPK] Central Committee Hwang Chang-yop today met and had a friendly talk with the delegation of the International Liaison Department of the Central Committee of the Communist Party of China led by its deputy head Liu Jingqin.

The head of the delegation said at the meeting that the Korean people achieved great success in idea, politics, the economy, culture and all other spheres for the last 50 years under the wise leadership of the party and the leader.

He said that the Chinese party and people are striving to develop the traditional friendship between the two parties and peoples, regarding it as important. He added:

"We hope the Korean people will achieve greater success in socialist construction, firmly united around Comrade Kim Chong-il."

Foreign Heads of State Receive Ambassadors

Indonesian President

SK2607065695 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 22 Jul 95

[FBIS Translated Text] Indonesian President Haji Mohamed Suharto received our country's ambassador to Indonesia (Yi Sam-no) on 19 July.

At the meeting, the ambassador conveyed the greetings from the great leader [yongdoja] Comrade Kim Chong-il to President Suharto. The president expressed deep gratitude and asked the ambassador to convey his warm greetings to the great leader Comrade Kim Chong-il.

The president stated that the respected and beloved His Excellency President Kim Il-song was the great leader and real father of all the Korean people and that his death is a great loss not only to the Korean people, but to the people of the world. He expressed his deep condolences again on the death of His Excellency President Kim Il-song. He continued as follows:

I am deeply impressed by the fact that His Excellency Kim Chong-il has enabled President Kim Il-song to live forever. I know well how much the people of your country miss and admire His Excellency President Kim Il-song, their true father. Upholding the leader [suryong] forever means remembering the leader's achievements and accomplishing the cause pioneered by the leader. I firmly believe the people of your country will succeed and consummate the cause of His Excellency Kim Il-song under the wise leadership of His Excellency, the respected Kim Chong-il. I am happy with the recent results in resolving the nuclear issue on the Korean peninsula. I truly wish His Excellency, the respected Kim Chong-il a long and healthy life so that he may continue to wisely lead the Korean people's cause for the country's growth, prosperity, and reunification.

Equatorial Guinean President

SK2607062995 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 21 Jul 95

[FBIS Translated Text] On 18 July, Obiang Nguema Mbasogo, president of Equatorial Guinea, received Yom Tae-yul, our country's ambassador to the country.

At the meeting, the ambassador conveyed to President Obiang Nguema Mbasogo greetings from the great leader [yongdoja] Comrade Kim Chong-il. The president expressed deep gratitude and asked the ambassador to convey his wholehearted wishes of longevity to the great leader [yongdoja] Kim Chong-il.

The president again expressed his deep condolences on the first anniversary of the great leader Comrade Kim Il-song's death. He noted that since his excellency President Kim Il-song brilliantly solved the question concerning the succession of the revolutionary cause, the DPRK is effecting great changes in socialist construction under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il. He stressed that the Equatorial Guinean Government sends firm support to the DPRK people's struggle to realize reunification based on a confederal system presented by his excellency the great President Kim Il-song and to establish a new peace mechanism.

Pakistan Friendship Group Publishes Bulletin

SK2407151795 Pyongyang KCNA in English 1502 GMT 24 Jul 95

[FBIS Transcribed Text] Pyongyang, July 24 (KCNA) — The Pakistan-Korea Friendship Association published a bulletin on the 42nd anniversary of the victory of the great fatherland liberation war on July 17.

Edited in the bulletin was the famous work of the great leader President Kim Il-song "10-point programme of the great unity of the whole nation for the reunification of the country."

It carried an article under the title "New Peace Mechanism on Korean Peninsula Should Be Established at an Early Date."

Delegation of Trade Union Federation Arrives

OW2507165595 Pyongyang KCNA in English 1510 GMT 25 Jul 95

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — A delegation of the World Federation of Trade Unions with President Antonio Neto as the head and Secretary General Alexandr Jarikov as the deputy head arrived in Pyongyang today.

The delegation was greeted at the airport by Chairman of the Central Committee [C.C.] of the General Federation of Trade Unions of Korea [GFTUK] Chu Song-il.

The C.C. of the GFTUK gave a banquet for the delegation today.

Reunification Festival Committee Briefs Press

SK2507230995 Pyongyang KCNA in English 0431 GMT 22 Jul 95

["North Side Preparatory Committee of Grand National Reunification Festival Calls Press Conference" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — The North side Preparatory Committee of the Grand National Reunification Festival marking the 50th anniversary of national liberation called a press conference on July 21 as regards the publication of a joint agreement of the North, South and overseas preparatory committees.

Paek Nam-chun, director of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland and vice-chairman of the North side preparatory committee, addressed the press conference.

He said:

The political parties and organisations of the northern half of the country held a joint meeting in January reflecting the desire of the whole nation for reunification, at which they put forward an epochal proposal for compatriots at home and abroad to gather in Panmunjom on the occasion of the 50th anniversary of national liberation and hold a Grand National Reunification Festival and appealed to the political parties, organisations and people from all walks of life in South Korea and abroad to make August 15 this year a great occasion to open a turning phase of national unity and reunification.

The North side preparatory committee was formed in March, the preparatory committee for the nation's joint function in South Korea in April and the overseas preparatory committee in June.

He published a joint agreement which was adopted by the North, South and overseas preparatory committees.

He noted:

The North, South and abroad recognised the necessity to form a joint national body to promote the Grand National Reunification Festival marking the 50th anniversary of national liberation and agreed on forming the "National Preparatory Committee of the Grand National Reunification Festival Marking the 50th Anniversary of National Liberation" and thereby made it possible to promote the festival in a unified way successfully as soon as possible.

It was agreed that the period of the festival shall be from August 12 to 17 and joint functions of the North, South and abroad shall be held on August 15.

It was decided that tripartite joint functions of the festival shall be held in Panmunjom which has been known to the world as a symbol of national division and others in each area to suit their specific conditions.

It was also decided that functions of the festival shall be divided into two—joint functions and regional functions—and the joint functions in Panmunjom shall include opening and closing ceremonies and other functions, regional functions shall be grandly held in a diversified way to suit their own regional characteristics, and the joint functions in Panmunjom and regional functions in the North, South and abroad shall involve functions of different organisations and sectors.

And a "great national conference" or a "grand symposium on reunification", shall be held as one of joint functions.

It was agreed that the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) shall be included in the South side preparatory committee of the nation's joint functions marking the 50th anniversary of August 15 and shall be given the post of a permanent co-chairman of the South side preparatory committee.

Agreement Favored in South

*SK2507112895 Pyongyang KCNA in English
1006 GMT 25 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — The South side headquarters of the National Alliance for the Country's Reunification and the South side headquarters for the promotion of the 6th pan-national rally published an article on July 21 favouring the agreement between the North, South and overseas for the joint national function marking the 50th anniversary of the August 15 country's liberation.

The organisations said that this agreement is a victory of the great unity of the nation over national division and a victory of the whole nation over the anti-reunification forces which have divided and confused the movement for reunification.

The agreement is a result of the united will of reunification of the fellow countrymen to realise the great unity of the nation, they said, and went on:

The South side headquarters of the National Alliance for the Country's Reunification will actively participate in the South side preparatory committee for the joint national function and make positive efforts so that the grand festival of the nation can be held with splendour.

Overseas Compatriots Support Festival

*OW2507165195 Pyongyang KCNA in English
1503 GMT 25 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 25 (KCNA) — Various functions supporting the Grand National Reunification Festival marking the 50th anniversary of the national liberation were held by organisations of Koreans in Kazakhstan and Kirgizia.

The Kazakhstan Korean Association (Unity) (Kothongryon) and the "Kind Home" sponsored a joint meeting in Almaty on June 30.

Chairman of Kothongryon Kang Sun-ho and Chairman of the Charitable Fund Committee of the "Kind Home" Yi Suk-chae and others said in their speeches that national reunification is an urgent demand of the Korean nation and times and no matter how wild the anti-reunification forces may run, reunification will surely be achieved.

They said they will vigorously struggle under the guidance of the great leader comrade Kim Chong-il to achieve, without fail, the country's reunification in the 90s which the great leader President Kim Il-sung wished so earnestly in his lifetime.

A joint meeting was held by the Kumgangsan Art Troupe and Taldikurgan "Old Men Society" and a meeting supporting the Grand National Reunification Festival marking the 50th anniversary of national liberation was sponsored by Kothongryon in Kazakhstan.

The Kirgiz Korean Association (Unity) held a meeting supporting the festival on July 4.

A letter to comrade Kim Chong-il was adopted.

Kim Chong-il Sends Thanks to Workers

*SK2607042595 Pyongyang KCNA in English
0418 GMT 26 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — The great leader Comrade Kim Chong-il highly estimated Kang Tong-yun and Chong Tal-pom, senior officers of the Yi Yong-ho Unit of the Korean People's Army [KPA], who are providing the soldiers of the unit with better living conditions.

Comrade Kim Chong-il sent thanks to Ho Ik-chol, secretary of a primary party committee of the Taesong Ceramic Factory; other officials, workers and technicians of the factory; Namil U, director of the Mujigae Joint Venture Company; Sin Song-nam, a worker of a factory led by Yu Yong-kyu; and other workers for the intense loyalty to the party and the leader they displayed.

Foreign Economic Corps Writes Kim Chong-il

*SK2607042995 Pyongyang KCNA in English
0419 GMT 26 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 20 (KCNA) — The great leader Comrade Kim Chong-il received a congratulatory letter from foreign economic and commercial counselors corps to Korea on the proud anniversary of the victory of the fatherland liberation war.

The letter was handed to an official concerned by Russian Trade Representative Yevgeniy Bilim [spelling of name as received], who is the head of the corps, on July 25.

Kim Chong-il Called Creative Thinker

*952C0139A Pyongyang NODONG SINMUN
in Korean 9 Mar 95 p 3*

[By reporter Kim Chong-ung: "As an Incessant, Creative Thinker"]

[FBIS Translated Text] Underlying the rare foresight of the great helmsman Comrade Kim Chong-il is his deep speculation.

Deep speculation is the starting point for politicians with foresight in all actions and practices.

One day late last year, the great leader [yongdoja] Comrade Kim Chong-il met with functionaries and said that at a time when imperialists and all kinds of reactionaries are intensifying their counterrevolutionary offensives, as they are doing these days, it is even more important that we use our heads and effectively wage brain warfare. The beloved leader said that those in politics should never stop being thinkers, and that he expects them to be deep thinkers and thoroughly carry through the teachings left by the fatherly leader.

East and West, past and present, no one has devoted so much time to speculation, showing such foresight, strategies and resources, as the respected and beloved Comrade Kim Chong-il has been doing.

In retrospect, we see that all ideological and theoretical activities, sagacious plans and great projects devised and implemented by the beloved leader were the results of his devoted speculation.

Whenever we run into the present realities which give us pride and confidence, they invariably make us think of the days leading up to the official launching of the Convert-the-Whole-Society-to-the-Chuche-Ideology program, when the beloved leader was always given to speculation and working on the historic cause of elucidating the meaning of the revolutionary ideology of the great leader in the world history, even while on a brief vacation, enjoying fishing, taking a walk through a snow-covered landscape on a winter day, or enjoying a fascinating night view of areas along the Taedong River.

With the passage of time we feel more keenly how true and wise were the comments the beloved leader made to functionaries. These were comments such as the chuche ideology is precisely the highest-level revolutionary theory of our times and is for the future of communism, and that the socialist cause and the cause of self-dependence the world over can be attained ultimately only when one follows the path shown by the chuche ideology.

It is not confined to the ideological and theoretical realm.

In all realms of social reform, nature remaking, and human remolding for perfection, the great leader Comrade Kim Chong-il is showing the deeply inspiring features of a politician who innovates, creates and always brings his speculation to maturity.

Looking back, we see that wherever the the beloved leader extended his deep thought, monumental masterpieces and structures were springing up.

In the days when he was crushing enemy offensives with active, ingenious plans and measures responding to changes in the situation, the respected and beloved Comrade Kim Chong-il always had a watchful eye on the entire globe, and his thoughts pondered the world situation.

One day, the respected and beloved Comrade Kim Chong-il said to a functionary that all the scientific wealth of mankind is the fruition of great research and speculation.

The great leader Comrade Kim Chong-il said that functionaries should use their heads to reexamine all problems and develop them anew, using party ideologies as the guideline. Then, he pointed out:

"I always insist that disquisition be made earnestly and speculation creatively."

Foresighted politicians always aspire to new things, their political motto being to achieve creative and constructive goals.

Speculation by the great leader Comrade Kim Chong-il is always creative in every respect and his thoughts always lean toward the broad future.

Too familiar to us is the story of the large-scale, long-distance belt conveyor of Ullyul, which extended not just to the shore but to the middle of the sea.

Even today the belt conveyor is told as a legendary story of the great foresight that not only brought innovation to dirt disposal, making it possible to reclaim the sea and gain new land, but also changed the landscape of the fatherland.

The great leader Comrade Kim Chong-il came up with the belt-conveyor idea back in the days when he was working for the automation of Hwanghae Iron Works. At the time, he drew a long red line into the sea on the map, and when he toured the site, he told people there that we would get the map of Korea to be redrawn. Looking back on those facts, the great speculation and the rare foresight they represent are indeed amazing to everyone.

A functionary who worked under the great leader Comrade Kim Chong-il in those exciting days and received instructions from him wrote in his memoir:

"The beloved leader unceasingly carried on his speculation and guidance. It was through such great days and nights that our revolution made its triumphant advances and the flowers of chuche came in full bloom on this land."

Such is the way the respected and beloved Comrade Kim Chong-il devoted himself to his great, epoch-making speculation day and night. Lying behind this fact is an immeasurably high sense of responsibility.

We keenly realized it when he said that if our party, as the locomotive of the revolution, should come to a halt even for a day, it would delay the revolution and construction that much, and that every time he though about it, he would even jump out of bed and return to work.

How keenly we felt it again last year when the respected and beloved Comrade Kim Chong-il, enduring with his strong willpower the indescribable pain of loss, flawlessly led the whole party, all the people, and the entire army to carry forward the revolutionary cause of chuche to which the fatherly leader had devoted his life, toward its consummation.

At the outset of this year, all our people received a New Year's letter from the great leader Comrade Kim Chong-il.

When we received the noble message urging us all to continue to work in one and the same mind to make our country, our fatherland, richer and stronger, in a manner worthy of the warriors and disciples of the great leader that we are, we found ourselves unable to suppress our emotions.

That was because the message brought with it the great image of our respected and beloved Comrade Kim Chong-il, who—carrying a gigantic mission and heavy tasks on his shoulders on behalf of the age and history—apparently was thinking, and thinking again, with no rest even on the New Year's eve and at the dawn of the New Year's Day. That was also because it brought us the image of the respected and beloved leader who has been devoting all his thinking and activities to the cause of making our country, our fatherland, richer and stronger, and who, in that process, wrote the New Year's letter predicting that the greatest wish of the late fatherly leader would come true without fail.

To carry forward and ultimately attain the revolutionary cause of chuche charted by the great leader, the respected and beloved Comrade Kim Chong-il thinks and thinks again. He is putting forth far-reaching plans today to make our country, our fatherland, richer and stronger, and is sagaciously leading our people to carry them out. The hearts of all our people are filled to overflowing with the faith that the future of our country, our fatherland, is brilliant and splendored and cannot be otherwise because we have, high at the helm of the party and the revolution, the most sagacious leader and great thinker who, with the relay baton of the revolution firmly in his hand, is incessantly looking after the destiny of the fatherland and the people.

Kim Chong-il's Achievements Praised

SK2507153095 Pyongyang Korean Central Broadcasting Network in Korean 2240 GMT 23 Jul 95

[Unattributed talk: "As Long as We Have the Great Leader [yongdoja] Comrade Kim Chong-il, We Will Always Be Victorious"]

[FBIS Translated Text] The revolutionary belief and will that "As long as we have the great leader [yongdoja] Comrade Kim Chong-il, we will always be victorious" firmly grasps the hearts of our party members and working people who are vigorously advancing under the banner of chuche today.

This revolutionary belief and will is the absolute truth which our people have come to cherish in their hearts in the process of accelerating the revolution and construction under the leadership [yongdo] of the great leader [yongdoja] Comrade Kim Chong-il. It is the banner of life and struggle which is sublimated as the only spirit of the chuche Korea in the most sorrowful period of losing the fatherly leader [suryongnim].

The dear leader [chidoja] Comrade Kim Chong-il is the great leader [yongdoja] who guides the chuche revolutionary cause, which was pioneered by the fatherly leader [suryongnim], into a shining victory.

The great leader [suryong] Comrade Kim Il-song taught: Comrade Kim Chong- il is a true leader [yongdoja] of the people who has both literary and military accomplishments and is exemplary in loyalty and filial piety. He is an outstanding ideologist, theoretician, statesman, military strategist, and a shining example of loyalist and dutiful child who is boundlessly loyal to the country and the people and exceedingly dutiful to his parents.

The leader [yongdoja] puts forth the ideology, theory, strategy, and tactics to adhere to and add luster to independence, and enables the work of strengthening the main force of the revolution and enhancing its role to be carried out successfully.

The greatest happiness for the people who struggle to adhere to and add luster to independence is to uphold the true leader [yongdoja] who firmly inherits the revolution, and the greatest unhappiness for them is to have a wrong leader [chidoja]. The great leader [yongdoja] Comrade Kim Chong-il is the most outstanding leader [suryong] of our times who inherited the great leader's [suryongnim] ideological and leadership trait and noble virtue and leads the chuche revolutionary cause at the head of the people.

The great leader [yongdoja] Comrade Kim Chong-il put forth revolutionary ideology and theory to fulfill the chuche revolutionary cause pioneered by the great leader [suryongnim] generation to generation, thus providing our people with ever-victorious mighty weapons. The most important mission given to the leader [yongdoja] who inherits the revolution is to inherit and develop the guiding ideology of the revolution founded by the leader [suryong] who pioneered the revolution and to clearly elucidated the road for the popular masses to fulfill their cause of independence, the cause of socialism.

The popular masses' cause of independence, the cause of socialism can only advance continuously and vigorously along the single road of victory overcoming all sorts of historical trials when it is guided by the correct guiding ideology which precisely reflects the demands of the times and the aspirations of the people.

With his extraordinary wisdom and energetic quest for truth, the great leader [yongdoja] Comrade Kim Chong-il published numerous immortal classic works, such as "On the Chuche Idea," "Some Problems in the Education of the Chuche Idea," and "Socialism Is a Science," and further deepened and developed the guiding ideology and strategy and tactics of the revolution of our times.

Through the great leader [yongdoja] Comrade Kim Chong-il, the great leader's [suryongnim] revolutionary ideology has been formulated into a monolithic system of ideology, theory, and method of chuche, proclaimed to be the revolutionary ideology with the great name of the leader [suryongnim], and has been further developed and enriched with new principles and contents.

Sharing an important position in the immortal ideological and theoretical achievements of the great leader [yongdoja] Comrade Kim Chong-il is that he has completed the socialist ideology and theory suitable for the demands of our times by making the revolutionary outlook on the leader [suryong] the core and thoroughly embodying the fundamental principles of the chuche idea.

The great leader [yongdoja] Comrade Kim Chong-il gave comprehensive scientific answers to all the theoretical and practical problems arising in the process of carrying out the cause of socialism. He did so by setting forth numerous original ideas and theories, such as the supreme program of socialist and communist construction; the strategic task for its realization; the ideology on strengthening the banner of the revolution and enhancing its role; the theory on inheriting the revolutionary cause; and the revolutionary principles to be maintained in socialist construction.

Therefore, the socialist ideology and theory have been deepened and developed onto a new higher plane, and the chuche idea shines more resplendently as a great guiding ideology of the age of independence.

Because the great leader [yongdoja] Comrade Kim Chong-il clearly elucidated the future road of carrying out the socialist cause with his energetic ideological and theoretical activities, we have been able to advance firmly along the road of socialism without the slightest hesitation or perturbation even in the grim environment where the imperialists' antisocialist and anti-Republic maneuvers were intensified more than ever.

The reality powerfully demonstrates that if there is the great leader [yongdoja] Comrade Kim Chong-il, who casts a bright ray on the future road of the revolution, we will always win with invincible and powerful weapons.

The great leader [yongdoja] Comrade Kim Chong-il exercised wise leadership to strengthen the main forces of the revolution and enhance their role and, thus, provided a strong basis on which our party and people can always win every battle.

To inherit and complete, generation after generation, the revolutionary cause cultivated by the leader [suryong], we must not only have scientific and revolutionary ideas, theories, strategies, and tactics but strongly prepare the popular masses as the powerful main force of the revolution and endlessly enhance their role.

Based on the creative idea that the might of the revolution comes from unity among the leader [suryong], the party, and the masses, the great leader [yongdoja] Comrade Kim Chong-il has been wisely leading the struggle to strengthen the party and enhance its leadership role and strongly unite all people around the party.

The great leader [yongdoja] Comrade Kim Chong-il presented the policy on party building, which calls for modeling the entire party after the chuche idea, and has led the struggle to thoroughly implement the policy. As a result, our party has been strengthened and developed into an invincible rank united ideologically and volitionally and is a tested leading political organization that has combat strength.

Thanks to the great leader [yongdoja] Comrade Kim Chong-il, the creative idea and theory on social and political organisms has been implemented thoroughly in reality. As a result, single-hearted unity between the party and the masses has been achieved, and the main forces of our revolution have been strengthened remarkably. Also, based on the chuche-oriented theory on ideology, he exercised leadership to ensure that primary attention is given to ideological and human remodeling. As a result, all people have strongly armed themselves with our party's revolutionary idea and have been fulfilling their responsibility and duty as masters in revolution and construction.

Thanks to the great leader [yongdoja] Comrade Kim Chong-il's tested leadership, the main forces of the revolution have been strengthened into forces that inherit and complete the chuche revolutionary cause to the end.

The powerful main forces of the revolution have been provided, and their role has been enhanced remarkably. As a result, we are resolutely advancing along the road they have chosen without quivering, despite the maneuvers by imperialists and reactionaries for political and military pressure and economic sanctions. They are also vigorously accelerating the great historic natural and social reform in compliance with the demand of chuche.

The great leader [yongdoja] Comrade Kim Chong-il is leading the chuche revolutionary cause with incomparable courage and powerful will under any environment. In this way, he gives our people the belief that they are invincible.

The struggle to achieve the independence of the popular masses is difficult, and the struggle to maintain and further glorify independence is difficult, as well. Numerous difficulties and trials are ahead in the struggle to maintain and glorify the independence of the popular masses. Therefore, the leader [yongdoja] who carries on the revolution from generation to generation must lead the party and the popular masses with incomparable courage and powerful will.

The position and determination the leader [yongdoja] has when carrying out activities determines the destiny of the revolution and of the people. Our party and people are always invincible because the great leader [yongdoja] Comrade Kim Chong-il, who has an unchanging revolutionary belief and an iron will, is standing on the vanguard.

The great leader [yongdoja] Comrade Kim Chong-il is wisely leading our party and people with the indomitable revolutionary belief and will that he would inherit and complete the chuche revolutionary cause, cultivated by the respected and beloved leader [suryong], to the end. The belief and will which the great leader Comrade Kim Chong-il has is a single will to resolutely march along the single road of chuche no matter how many mountains and changes may lie ahead; a resolute will to boldly carry out tasks in a big way; and an indomitable fighting spirit and the boundless strength to do what he has decided even if the sky falls.

The energy and boldness of the invincible general, who keeps all enemies under his thumb, as well as his invincible spirit, which has become the supreme model for heroes and with which he always wins no matter what he does, are the expressions of the great leader [yongdoja] Comrade Kim Chong-il's indomitable revolutionary belief and iron will. Because he has such a belief and will, even when the enemy staged Team Spirit joint military exercises and threatened us, the great leader [yongdoja] Comrade Kim Chong-il remained unperturbed and mobilized all the people and the entire Army to bring about heroic feats by creating the winds of grand construction. Also, when a touch-and-go crisis was created because of the enemy's anti-Republic maneuvers to politically and militarily crush us, he declared a state of semi-war; led the entire party, all the people, and the entire Army to resolutely and vigorously stand up to confront the crisis head on; and crushed the villains' maneuvers of aggression while honorably defending the country's independence and the nation's dignity. Truly, the great leader [yongdoja] Comrade Kim Chong-il is the supreme incarnation of revolutionary belief and iron will, as well as the great banner of invincibility.

There have been numerous great men in the history of mankind that spans thousands of years and in the history of the international communist movement that spans over 100 years. However, no great man other than our great leader [yongdoja] Comrade Kim Chong-il gave the people invincible weapons, omnipotent strength, and a powerful belief and will.

Our people's greatest luck and happiness lies in the fact that we are under the leadership of the great leader [yongdoja] Comrade Kim Chong-il, who is a great man among great men and who has ideological and theoretical insights, leadership, boldness, and will power.

Because our people uphold the great leader [yongdoja] Comrade Kim Chong-il at the vanguard of the party and the revolution, they will always walk along the single road of invincibility, and chuche Korea will cast a brighter ray on the entire world.

Symposium Studies Kim Chong-il's Work

SK2607044395 Pyongyang KCNA in English 0427 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — A national symposium on the famous work of the great leader Comrade Kim Chong-il "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" was held here on July 25.

Present there were alternate Politburo member and Secretary of the Workers' Party of Korea [WPK] Central

Committee Choe Tae-bok, Secretary of the WPK Central Committee Kim Ki-nam, officials concerned and officials of national organs, party cadre training institutions and men of science, education, the press, culture and art.

Speakers said that the main idea of the work is that when the popular masses are armed with socialist ideology and the bulwark of this ideology is firmly consolidated by giving priority to ideological work, socialism can be defended, consolidated and developed constantly in any adversity.

They said Comrade Kim Chong-il in the work scientifically expounded the position and importance of ideological work in socialist society and gave overall answers to all theoretical and practical questions including its basic task, principles and ways.

They stressed that the work fully elucidated principles and methods of ideological work including the problems of successfully conducting ideological work as the concern of the entire party, the whole state and the whole society, turning it into the work of the popular masses themselves and conducting ideological work through study, organizational life and revolutionary practice. The work is an encyclopedic work clearly indicating the road of socialist ideological undertaking, they said, and went on:

"Comrade Kim Chong-il fully systematised theoretical and practical problems of ideological work decisive of the destiny of socialism and laid down the immortal great program of socialist ideological work. This is a distinguished historical exploit he performed for the era and humankind."

The speakers said they will deeply study and grasp the idea and theory indicated by the work, successfully apply them in revolutionary practice and defend and exalt the immortal exploits performed by Comrade Kim Chong-il in the party ideological work and the socialist cause.

Kim Chong-il Works Carried by Foreign Press

*SK2207102795 Pyongyang KCNA in English
1010 GMT 22 Jul 95*

[FBIS Transcribed Text] Pyongyang, July 22 (KCNA) — The full text and gist of the great leader Comrade Kim Chong-il's famous work "Giving Priority to Ideological Work is Essential for Accomplishing Socialism" were carried by the Russian paper PATRIOT, the Jordanian paper AL-JAMAHIR, the Madagascan paper IMONGO VAOVAO and the Peruvian paper EL MATUTINO.

The gist of his another famous work "Abuses of Socialism are Intolerable" was carried by SCINTEIA SOCIALISMULUI, the organ of the Socialist (Communist) Party of Romania.

Kim Chong-il's 'Sense of Moral Obligation' Model

*OW2507092895 Pyongyang KCNA in English
0448 GMT 25 Jul 95*

[FBIS Transcribed Text] Pyongyang (KCNA) — The party members and other working people should learn from respected Comrade Kim Chong-il's strong sense of moral obligation for the Great Leader Comrade Kim Il-song through the fact that the Kumsusan Memorial Palace where Comrade Kim Il-song is preserved in state has been built as the supreme holy land of Chuche and the great seat of revolution, says NODONG SINMUN today.

In an editorial headlined "Let Us Learn From The Great Comrade Kim Chong-il's Strong Sense of Moral Obligation" the paper says Comrade Kim Chong-il is the great leader with the strongest sense of moral obligation and the greatest moral traits which a revolutionary can have and the successor to the leader can reach.

The paper quotes Comrade Kim Chong-il as saying:

"We must invariably remain faithful to the revolutionary cause of the leader, who started the socialist cause, and accomplish it, thus showing the fine example of the Korean communists with a noble outlook on communist morality."

The paper notes:

Comrade Kim Chong-il's sense of moral obligation is a model which all of us should always learn from.

His strong sense of communist moral obligation for the fatherly leader Comrade Kim Il-song was fully manifested by the fact that he devoted his utmost care to preserving Comrade Kim Il-song in state.

It is our people's unanimous desire and Comrade Kim Chong-il's firm will to hold Comrade Kim Il-song in high esteem as the sun of Chuche and the eternal leader for all ages.

Comrade Kim Chong-il took historical measures to consecrate the Kumsusan area as the supreme holy land of Chuche with utmost care and preserve Comrade Kim Il-song in state there and put all his heart and soul into this undertaking. It was under his energetic leadership that the Kumsusan Memorial Palace has been built in a grandiose, sublime and perfect way to meet the desire of the time and the people. Through this fact, we have keenly felt how pure and strong is his moral obligation devoted to always keeping high the absolute prestige of Comrade Kim Il-song.

Comrade Kim Chong-il is keeping Comrade Kim Il-song's idea and feats pure with loyalty and filial duty more intense than in his lifetime. Such traits of leadership are, indeed, the culmination of the revolutionary obligation.

To learn from his strong sense of moral obligation is of great significance in strengthening the singlehearted unity of our revolutionary ranks in every way and advancing our socialism.

As Comrade Kim Chong-il said, the people must deem it their moral obligation to defend socialism in order to safeguard the socialist cause and constantly develop it. The lesson of history shows that if they have no sense of obligation for the leader who pioneered the revolutionary cause, socialism cannot but suffer from a setback.

The firm resolution and will to remain devoted to Comrade Kim Il-song, who started the socialist cause of Chuche and founded our party, state and army, are just the ideological and spiritual source for the invincibility of our socialism.

Comrade Kim Chong-il personifies such a faith on the highest level.

We must learn from the traits of Comrade Kim Chong-il, a model of great revolutionaries and great men, and bring them into full play and thus become steadfast revolutionaries who hold high the red banner of socialism in any adversity.

Defense of Kim Il-song's Feats 'Vital'

SK2607051395 Pyongyang KCNA in English 0455 GMT 26 Jul 95

["NODONG SINMUN Calls for Defending Feats of President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — In order to successfully accomplish the chuche revolutionary cause started by the great leader Comrade Kim Il-song, it is important to steadfastly defend his undying revolutionary feats, says NODONG SINMUN today.

The paper quotes the great leader Comrade Kim Chong-il as saying:

"To inherit and develop the revolutionary feats of the leader is a definite guarantee for successfully accomplishing the revolutionary cause of chuche through generations."

In a by-lined article titled "Defending the Leader's Feats Definitely Guarantees Accomplishment of Revolutionary Cause," the paper says:

The feats performed by Comrade Kim Il-song is the most valuable wealth of our party and people and an eternal life-line which makes it possible to complete the chuche revolutionary cause.

To defend the revolutionary feats of respected Comrade Kim Il-song is a definite guarantee for holding him in high esteem as the eternal leader of our party and people and accelerating the revolution and construction along the road indicated by him. It is also essential for dynamically pushing ahead with the revolution and construction in the way he did, on the basis of his feats.

Our people are always working with his feats as the lifeline and advancing along the road of chuche indicated by him. It is the unshakable faith of our people that they can neither live nor make a revolution without his feats. They are inheriting all of his feats as they are and struggling uncompromisingly against the slightest impairment of his feats.

We must have our party, state and Revolutionary Armed Forces belonging to Comrade Kim Il-song, their founder, forever by always carrying on all the work in the way he did.

To defend the revolutionary feats he performed is also vital to advancing our revolution in conformity with the idea and intention of respected Comrade Kim Chong-il.

Comrade Kim Chong-il said long ago that he would glorify the revolutionary feats of Comrade Kim Il-song for all ages and has set a practical example to show the communists how to defend the exploits performed by the leader who started the revolution.

The history of the international communist movement has not known such a man as our great leader, Comrade Kim Chong-il, who has steadfastly defended the leader's feats.

Comrade Kim Chong-il is still wisely guiding our party and people to defend and glorify the feats of the fatherly leader Comrade Kim Il-song as in his lifetime.

Flowers Left Before Kim Il-song Statue

By Economic Counselors Corps

SK2607043295 Pyongyang KCNA in English 0421 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — The economic and commercial counselors corps accredited to Korea laid a floral basket and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill on July 25 on the 42nd anniversary of the victory of the fatherland liberation war.

Written on the ribbon hanging from the basket were words "His Excellency the Great Leader President Kim Il-song Will Be Immortal."

By World Trade Union Group

SK2607050595 Pyongyang KCNA in English 0433 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — A delegation of the World Federation of Trade Unions on a visit to Korea laid a floral basket before the great leader President Kim Il-song's statue on Mansu Hill on July 25.

Present there were President Antonio Neto and Secretary General Aleksandr Jarikov [spelling of names as received] of the organisation and other members of the delegation.

They laid the floral basket and made a bow before his statue in deepest respect and reverence for him, who conducted energetic activities for the prosperity of progressive humankind and the unity among the workers of the world.

Also Tuesday, a delegation of the Tokyo Metropolitan Committee of the Japanese Trade Union Confederation (Rengo) headed by Chairman Tatashi Wata laid a floral basket and made a bow before the statue of President Kim Il-song.

Anniversary of Liberation War Victory Marked

OW2607115395 Pyongyang KCNA in English 1033 GMT 26 Jul 95

[FBIS Transcribed Text] Pyongyang, July 26 (KCNA) — A national meeting marking the 42nd anniversary of the victory of the Korean people in the great fatherland liberation war (July 27, 1953) was held at the February 8 House of Culture in Pyongyang today.

Placed on the platform of the meeting place was a portrait of the great leader President Kim Il-song.

Present at the meeting were Premier Kang Song-san and Vice President Yi Chong-ok who are members of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK], and other senior party and state officials.

Vice Marshal of the Korean People's Army Kim Kwang-chin, member of the Central Military Commission of the WPK, made a report at the meeting.

He said:

The Korean people could win a victory in a rigorous war against the allied forces of imperialism with young regular armed forces in the early period of building a new country because of the outstanding, tested political and military leadership of the great leader Comrade Kim Il-song, a distinguished military strategist and ever-victorious iron-willed brilliant commander.

The victory of the Korean people in the fatherland liberation war proved the truth that the people of a small country can win victory if they resolutely fight against aggressors with the consciousness of being the masters of their destiny in the spirit of independence, closely rallied around the party and the leader.

Today our People's Army has been well prepared politically and ideologically, mentally and morally and strengthened and developed into an invincible combat unit in terms of military technology, strategy and tactics to suit the noble mission of the chuche-based revolutionary armed forces under the correct leadership of the great leader and the great party. With all people armed and the whole country fortified, our country has been turned into a powerful country, self-reliant in national defence, which can defeat the aggression of any enemies at one stroke.

The reporter stressed that all the people and People's Army officers and men should unite around the great leader Comrade Kim Chong-il to smash the anti-socialist moves of the imperialists and reactionaries and firmly defend and accomplish the socialist cause.

All the soldiers should become rifles and bombs to defend Comrade Kim Chong-il, supreme commander, at the cost of their lives, he noted, adding:

The United States must discard its old policy of strength toward the Korean question and sincerely implement the DPRK-U.S. agreed framework to build confidence and put an end to its hostile relations with the DPRK.

If the United States does not want to repeat disasters of war which took place 40 odd years ago, it must accept without delay the DPRK's just proposal for establishing a new peace mechanism to replace the old armistice system.

The reporter stressed the need to achieve the independent and peaceful reunification of the country in the 90s without fail under the banner of the three principles of independence, peaceful reunification and great national unity and the 10-point programme of the great unity of the whole nation, the reunification programmes common to the nation which were put forward by Comrade Kim Il-song.

He noted that the Workers' Party and people of Korea will constantly strengthen the friendship and solidarity with the peoples of different countries of the world who advocate independence and will always remain faithful to the international duty and comradely obligation they assume in the accomplishment of the human cause of independence under the banner of independence, peace and friendship.

People's Regime Lauded as Revolutionary Regime

SK2107112995 Pyongyang MINJU CHOSON in Korean 13 Jun 95 p 2

[Article by Pak Hyok-chol: "The People's Regime Is the Revolutionary Regime of Our Own Style Conducted by the People"]

[FBIS Translated Text] All the people across the country are now vigorously accelerating the general onward march to effect a new upsurge in socialist construction, upholding the party Central Committee's slogan issued on the occasion of the 50th founding anniversary of the party. We should strengthen the people's regime and enhance its superiority to enrich our country, our fatherland, and accomplish the chuche socialist cause by victoriously advancing today's march.

The great leader [yongdoja] Comrade Kim Chong-il noted:

"Our people's regime based on the chuche idea is a regime that the people established with their own strength. They are managing and conducting it in accordance with their intent and aspiration."

Our people's regime is the most consolidated and vibrant revolutionary regime of our own style, which was built based on the chuche idea. Strengthening the people's regime is a firm guarantee for victoriously advancing and completing the popular masses' independence cause.

The people's regime, the revolutionary regime of our own style, is importantly characterized by the fact that our people chose, established, manage, and conduct it.

The socialist regime is a political weapon for protecting and realizing the popular masses' independence cause and is a basic factor influencing the development of the socialist society. The popular masses establish a socialist regime to explore their destinies independently and creatively as genuine masters of the state and the society. They protect, defend, and develop the socialist system with the socialist regime as a weapon. The popular masses are the masters of the regime and are in charge of managing and conducting it.

The popular masses's fulfillment of their responsibility and their role in managing and conducting the regime as their masters is an important factor that determines the vitality of a socialist regime serving the people. Even though the popular masses became the masters of the state regime and of the means of production, if they fail to manage and conduct the regime in accordance with the popular masses' independent nature, they cannot guarantee their position and role properly and the socialist regime will lose its vitality and fail to fulfill its mission.

Based on the chuche idea, our party has built the people's regime as a most consolidated, vibrant, and powerful weapon for the revolution and construction that is managed and conducted by the popular masses who are the masters of the regime.

The chuche idea is the guiding idea of the people's regime that enables the popular masses to occupy the master's position in managing the state and the society and fulfill their role as the master. The chuche idea, based on the most correct view of the popular masses, enables the popular masses to exercise their right, as well as fulfill their responsibility and duty as the masters of the state and the society. It also demands that the popular masses push ahead with the revolution and construction by greatly displaying their creative strength.

Our people's regime based on the chuche idea is a regime that was established by the people with their own strength in accordance with their intent and aspiration and are managed and conducted by them.

Under the people's regime, the popular masses directly participate in the activities of the regime and actually exercise their political rights.

In order for the popular masses to occupy the master's position in the state political life and practice politics in accordance with their demands, they must establish a power organ with genuine deputies of themselves. When a state power organ is composed of the people's deputies, the popular masses can directly participate in state politics through their deputies and become the masters of politics. Power organs at various levels in our country, including the Supreme People's Assembly, are composed of the working popular masses' deputies, who are elected directly by the people. Since all power organs have been prepared with high qualified and talented servants of the people who are faithful to the people, our people's regime is fulfilling its mission of serving the people.

In order for the popular masses to actively join in state management and exercise their political rights, they should map out state policies in conformity with their intentions and demands, and thoroughly enforce them with their own strength. Basic direction, contents, and methods of the activities of the regime are formulated in state policies. How the regime is managed and operated is closely related with how the state drafts and reinforces its policies. The people's power organs in our country have mingled with the popular masses, listened to their opinions, and acted in conformity with their independent demands. In addition, in times of adopting decisions or giving orders, the people's power organs have unfailingly mingled with the masses and had full discussions with them so as to implement all the policies in conformity with their intentions and to let the popular masses display their creativity and reinforce the policies by themselves. Especially, the rights of the people's regime to draft policies that meet the people's opinion and to reinforce the policies by invoking the people's strength and the rights to manage and supervise the execution have been guaranteed legally and institutionally on the level of state organizations, and have been actually exercised. Thereby, the people's regime has thoroughly and legally ensured the position and role of the popular masses as the masters in managing the state and the society as a whole.

Our people's regime is a regime that has been managed and operated in conformity with people-oriented political methods which induce the popular masses, the masters of the regime, to participate in the work of managing the state and the society with high self-consciousness and responsibility by becoming the true masters of the politics.

In order to put up the popular masses as the true masters of the management of the state and the society in a socialist society where the relations of comradely unity and cooperation, and love and trust are fully embodied, we must first set up people-oriented political methods that meet the intrinsic demand of the socialist society, fully overcoming the political methods of old society that regarded the popular masses as mere targets of the politics.

Establishing the people-oriented political methods provides a guarantee that enables the popular masses to correctly manage and operate the state regime and the means of production by themselves for their interests in accordance with well-planned system and scientific methods. When the people-oriented political methods are established, the popular masses will exercise their independent rights as the masters of the society, the masters of the regime, who implement the state management and social relations to their heart's content as the masters. However, if these people-oriented political methods fail to be established, bureaucratic ruling methods, a vestige of the old society, will be again repeated. If so, the work to manage the state and the society cannot help but go into the hands of the specific people who are alienated from the popular masses, who are the masters. This will curb the popular masses' creativity and infringe upon their independent rights, and divorce the party and the regime from the popular masses. As a result, the socialist regime will lose its vitality and cannot maintain its existence. This is a lesson shown by the practical experiences of the socialist construction.

Doing away with the ruling methods of the old society and establishing the socialist management methods that meet intrinsic demand of the socialist society are as difficult and complicated as setting up a socialist regime.

Following the establishment of a socialist system, our party emphasized the improvement of the work system and the method of the people's regime. Our party also created the Chongsalli spirit and method and the Taean work system that embodies the Chongsalli spirit and method, all in accordance with the new environment. Our party applied the methods to state activities and brilliantly established a people-oriented political method.

The Taean work system is the most superior political method that embodies the revolutionary mass line. The revolutionary mass line is the basic principle of the activities of the people's regime in which the popular masses maintain their position as the masters of the country and society as well as fulfill their responsibilities and role as the master. The question of satisfactorily guaranteeing socialist democracy, and the question of eliminating bureaucratism and maximizing the creativity of the popular masses, depends on how the mass line is implemented.

Today in our country, the revolutionary work method and people-oriented work style has been established and embodied for thoroughly implementing the revolutionary mass line.

The chuche-based work method enables the popular masses to maintain their position as the master of the revolution and construction as well as fulfill their role of the master. What is important in implementing the work method is that priority should be given to political work, and superiors should help and comradely cooperate with subordinates. In our country, political work precedes all other work. Political work is substantially conducted through persuasion and indoctrination, and has turned into the work of the popular masses themselves. As a result, all members of society actively participate in state management with a high self-consciousness befitting the master. Guiding functionaries always become involved with the masses and live with them. They have even developed the habit of implementing revolutionary tasks set by the masses. A collective principle of helping and leading each other has been embodied in social management.

The people-oriented work method is the revolutionary ethos and people-oriented characteristic possessed by our functionaries. The people-oriented work method enables the popular masses to participate in state and social management as the masters, with a high pride and self-consciousness as the masters, and to smoothly fulfill their creative roles. Our experience shows that when functionaries thoroughly establish the revolutionary work method and people-oriented work style, then the abuse of power and bureaucratism can be overcome and the master position and role of the popular masses can be satisfactorily guaranteed.

Our style of revolutionary regime, the people's regime, has a bright future. Our people have a firm faith in defending the people's regime to the end against whatever trials, and with the regime as a weapon, will complete the socialist cause to the end.

Upholding the slogan of the party Central Committee, all functionaries and working people should strengthen the people's regime, accelerate socialist construction, and endlessly glorify the superiority of our own style of popular masses-centered socialism.

South Korea

Kim Yong-sam Meets U.S. Secretary of State

SK2607020795 Seoul YONHAP in English 0156 GMT 26 Jul 95

[FBIS Transcribed Text] Washington, July 25 (YONHAP) — South Korean President Kim Yong-sam arrived at Andrews Air Force Base Tuesday afternoon for a four-day state visit.

In the Blare House where he is staying, the Korean head of state received U.S. Secretary of State Warren Christopher and discussed his upcoming meeting with President Bill Clinton and the unveiling ceremony of the Korean War Memorial for about 30 minutes.

He then received Senator Edward Kennedy and deepened the friendship which was first developed between them when Kim was a young opposition leader in Korea. Kennedy gave Kim a copy of Rose Kennedy's autobiography.

In the evening, Kim hosted a reception for some 800 members of the Washington area's Korean community in the Presidential Ballroom at the Hilton Hotel.

In his speech at the reception, Kim said that during his state visit to Washington he and President Clinton would reassess the Korean war by dedicating a memorial to honor those who died and by reconfirming the friendly relations between the two countries at their upcoming summit meeting.

Noting Korea-U.S. relations have developed into a partnership where the two countries depend on each other for mutual benefits, as two-way trade between them totaled 42.5 billion dollars last year, 20 percent of Korea's total trade, he stressed never before have the two nations experienced a stronger bilateral relationship than they do today.

He called the recent collapse of the Sampoong Department Store in Seoul "a disaster caused by materialism and disrespect for human beings, values and the spirit of the law," adding that the accident "showed us we still have many, too many, things we must correct and reform."

And, to help stamp out all these wrongs, he stressed that he has pushed for reforms, such as the real-name financial transaction system, political reform legislation, judicial reforms and education reforms, since he took office.

Kim pledged to do his best to "solve all these problems facing us, employing the energies and wisdom of the people to do it."

Concerning inter-Korean relations, he predicted much progress would be made in the South's relations with North Korea in the near future, saying 1995 which marks the 50th anniversary of the nation's division will serve as an important turning point in the development of inter-Korean relations.

Kim received a standing ovation whenever he expressed his strong will to uproot corruption and irregularities during his speech.

On Wednesday, President Kim will visit Arlington National Cemetery and lay flowers before the Tomb of Unknown Soldiers and then deliver a speech to a joint session of Congress about the future of Korea-U.S. relations towards the 21st century.

On Thursday, Kim will visit the White House to attend a summit meeting with President Clinton where the two leaders will discuss the current situation on the Korean peninsula, including assistance in North Korea's light-water nuclear reactor construction project, ways of increasing economic cooperation between the two countries and measures to improve their cooperation in the United Nations, the Asia-Pacific Economic Cooperation forum and other international organizations.

Government To Restrict Coordinator's Role

SK2607025095 Seoul CHUNGANG ILBO in Korean 26 Jul 95 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] The United States has recently notified our government that it plans to strengthen the role of the program coordinator. The two countries previously agreed that the program coordinator would be charged with liaison work between the Korean Peninsula Energy Development Organization [KEDO] and technical consultation for KEDO in the light-water reactor project for North Korea. It appears that the U.S. notification will cause some discord between the ROK and the United States.

On 25 July, a government official revealed that "the United States recently sent a letter to our government informing us of its position regarding the role and function of the program coordinator, for which concrete discussions have not been held."

He added that, "Previously, the United States expressed the position that there should be around 50 program coordinators who should be able to exercise considerable influence over the basic design of light-water reactors and overall management of the project."

In particular, he stated that, "the United States pointed out that the program coordinators should have veto rights on specification standards for light-water reactor parts that are designated in the design of the reactor. In the event that the U.S. request is accepted, this may considerably damage 'the ROK's central role' in the construction of light-water reactors for North Korea."

Meanwhile, working-level officials in our government expressed astonishment at Washington's position. If the U.S. position is followed, program coordinators will wield enormously powerful rights, to the extent of having a free hand over the overall light-water reactor project for North Korea.

For example, if granted the right to directly interfere in the design, program coordinators may order all major facilities including the light-water reactors, cooling pump and steam generator, from the United States. If this situation continues, our ultimate goal of the "ROK's central role," will be damaged greatly.

This being the case, our government intends to restrict the role of program coordinators to that of "a helper" instead of "mother-in-law."

KEDO, North May Meet in Beijing or Berlin

SK2607082095 Seoul SEOUL SINMUN in Korean 26 Jul 95 p 4

[Report by Yi To-un]

[FBIS Translated Text] Working-level negotiations to conclude an agreement on the provision of light-water reactors will be held between the Korean Peninsula Energy Development Organization [KEDO] and North Korea next month in Beijing or Berlin.

The two sides virtually reached agreement on this during a contact between the KEDO and North Korean mission at the United Nations on 25 July. Gary Samore, assistant to the nuclear ambassador in the U.S. State Department, will probably lead the KEDO delegation, while Kim Chong-u, vice chairman of the External Economic Committee, will probably lead the North Korean delegation.

Prior to dispatching a negotiating team, KEDO will hold an executive council meeting, then a plenary meeting, in New York on 31 July, at which time they will finalize a list of 10 members for the survey team for the light-water reactor construction site. Representatives from the ROK, the United States and Japan, as well as the subcontractor, will be included in the survey team. Following this, KEDO plans to dispatch the survey team to Pyongyang and Sinpo for about a week after contacting the North Korean side.

Meanwhile, a relevant government official stated that, with a view to preventing program coordinators who are to steer KEDO from abusing their rights, the government has decided to choose a small-scale U.S. firm which worked with the Korea Electric Power Corporation [KEPCO] in the past.

Thus, it is highly likely that either Burns and Roe or (Surgen and Randy), firms that have worked on atomic energy projects with Korea Power Engineering Corporation, a subsidiary company of KEPCO, will be selected as the program coordinator.

The government intends to clearly define in the contract the limits of the role and rights of the program coordinator and stipulate that their activities will begin once the full-scale project is launched following the completion of survey work and the conclusion of the agreement on the provision.

Italy Pledges $1.9 Million to KEDO

SK2607035895 Seoul YONHAP in English 0058 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — Italy recently notified South Korea that it will contribute about 1.9 million U.S. dollars to the Korean Peninsular Energy Development Organization (KEDO), an international consortium tasked with financing the provision of two light-water nuclear reactors to North Korea, over the next three years, a Foreign Ministry spokesman said Wednesday.

The Italian Government is considering a plan to provide more financial assistance to the organization if it successfully progresses with the North Korean nuclear reactor project, the spokesman said.

South Korea welcomed the Italian Government's decision, hoping that the decision will have a positive effect on other countries which have been considering ways to contribute to KEDO operations.

U.S. Visa Issuance Procedures Criticized

SK2607092195 Seoul CHUNGANG ILBO in Korean 26 Jul 95 p 5

[Editorial: "U.S. Visa Is Mass Producing Anti-U.S. Sentiments"]

[FBIS Translated Text] A female university professor, wife of a representative of an established business firm and mother of two, interviewed for a U.S. visa. The U.S. Consulate official asked her about every detail of her background as if to examine whether she would be settling down in the United States. Offended by this, she asked: "Is the United States such a great country as to make me abandon my job, my beloved husband, and children?" People say it is not an exaggeration that those who have experienced the application process for a U.S. visa have become anti-American. This is because the procedure is complicated, requires alot of time, and sometimes the applicants are even regarded as offenders and are often insulted.

Even today, about 200 people are lined up around the wall of the U.S. Embassy in Seoul, waiting for U.S. visas by spending the night outside. It is possible to request an interview only after spending two nights in the open air, and the visa is issued after a month. Is there any other disgraceful scene in the world than this? The top ROK and U.S. leaders are meeting in the United States to pledge mutual friendship and cooperation. At this moment, those who deplore the U.S. consular work are standing along the wall of the U.S. Embassy in Seoul, forming a long line.

Certain reasons have made the visa issuance work more difficult of late. Since the illegal visa issuance incident occurred last June, the issuance of visas without an interview has been restricted. Besides, the number of applicants is drastically increasing during the vacation season. However, the number of employees engaged in the work is small while the number of applicants increases with time, thus resulting in logistical difficulties. Travel agents' visa proxy applications were restricted after the fraudulent visa issuance incident took place, and nearly 6,000 applications have accumulated as of the end of June. This being the case, it would be appropriate for the U.S. Embassy to handle the matter by increasing the number of employees. The U.S. Embassy is consistently using the excuse that the U.S. policy for reducing manpower due to a deficient budget has brought about this situation.

U.S. Ambassador to the ROK Laney once said that the delay in the visa issuance is "like shooting one's own foot." Will the U.S. Embassy continue shooting its own foot so as to aggravate the situation as today? We wonder what our Foreign Ministry has been doing up to now. Will it remain an onlooker of a situation in which its own people are suffering inconveniences and insults in front of the embassy of another country? It should discuss with the U.S. Embassy and the U.S. State Department the issue of increasing personnel handling the visa issuance work. If the two countries are partners who truly treasure each other, not partners who have merely a hazy partnership, they should show sincerity in satisfactorily carrying out basic consular activities such as visa issuances.

Bilateral Talks on Cigarette Agreement Scheduled

SK2607022695 Seoul THE KOREA HERALD in English 26 Jul 95 pp 2, 9

[FBIS Transcribed Text] Korea and the United States will hold two-day talks on the revision of a bilateral agreement providing access for imported cigarettes to the Korean market in Washington next week.

The talks opening Monday [31 July] will focus on Korea's demand for freer hands in determining tax rates on imported cigarettes and regulating advertising and sales promotion by foreign cigarette manufacturers, a Foreign Ministry official said yesterday.

Korea has requested the revision of the accord signed in 1988 since it first raised the issue at working-level trade talks with U.S. officials last September.

It delivered a draft revision to the agreement to the U.S. side in October last year and a supplemented one last month.

Korea, which feels mounting pressure from Washington to open its market wider and improve import practices, regards the accord on cigarette imports as one rare area where it can prod U.S. trade policymakers to make concessions.

The agreement has been criticized by news media and civic groups here for restricting the Korean government's authority on tax imposition and running against the global trend toward tighter regulations on cigarette advertisement and sales promotion.

Under the agreement, Korea is obliged to impose a 460 won per pack in income tax on all cigarettes imported or of national origin.

A ministry official said Korea is demanding it should be free to impose various tax rates on cigarettes in accordance with their price.

Korea's draft revision to the agreement also calls for banning vending machines in areas frequented by teenagers and reduce the number of advertisements annually allowed in magazines.

During the talks in Washington, Korea will emphasize the need for an early revision of the agreement to match provisions of a domestic law strengthening regulations on cigarette advertisements and sales promotion, which is scheduled to go into force in September.

North Violates Armistice '400,000 Times'

SK2607064295 Seoul YONHAP in English 0636 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — North Korea has violated the Armistice Agreement more than 400,000 times since it was signed on July 27, 1953, in what seems to be an attempt to invalidate the agreement, the Defense Ministry said Wednesday [26 July].

North Korea's "unusual activities" inside the Demilitarized Zone, in particular, have increased significantly since the communist country closed the office of the Neutral Nations Supervisory Commission on its side of the truce village of Panmunjom on May 3 this year.

The Joint Chiefs of Staff (JCS) said that on average North Korea violated the Armistice Agreement 27 times a day, which included military provocations, shootouts, the sending of armed spies into the South, the shooting at and capture of South Korea's civilian ships and attacks on aircrafts.

A JCS spokesman analyzed that the violations to the Armistice Agreement are an attempt to get the accord invalidated so that the North can conclude a peace treaty with the United States.

Past Year Under Kim Chong-il Reviewed

SK2407134295 Seoul SEOUL SINMUN in Korean 24 Jul 95 p 10

[By Chang Su-kun, fellow at the SEOUL SINMUN Unification and Security Research Institute; from the "Today's North Korea" page]

[FBIS Translated Text] While Kim Chong-il was reluctant to completely succeed to power and show up in front of the masses under the pretext of the mourning period following his father's death, North Korea has reportedly been led over the past year by the 11 secretaries of the Workers Party of Korea [WPK] Central Committee, including Kim Yong-sun and Hwang Chang-yop. It has been thought, however, that though none of his moves particularly attracts public attention, Kim Chong-il has actually acted as the leader in various activities—such as the solution to the North Korean nuclear problem, the request for rice aid, and the southward diplomacy aimed at Western countries—while holding behind-the-scenes power in the WPK Secretariat. This is shown by a close analysis of North Korean figures listed in the 1995 revised edition of the *North Korean Biographical Dictionary* published by the SEOUL SINMUN Unification and Security Research Institute on 20 July. The following is an analysis of the significant activities of major North Korean figures based on the "North Korean Biographical Dictionary," which lists 16,000 North Korean figures and is highly regarded for its scale, content, and authority, as well as an analysis of North Korea's activities over the past year.

As Kim Chong-il did not replace any important official since Kim Il-song died, it seems there has been no significant change in the North Korean power structure in the past year since Kim Chong-il began to lead North Korea without Kim Il-song. However, because of sudden changes such as the deaths of O Chin-u, minister of the People's Armed Forces, and of Vice Minister Kim Pong-yul, it is expected that a generational shift will be inevitable when Kim Chong-il comes to the fore. Kim Chong-il has reportedly been encouraging competition for loyalty among the four vice presidents, including his uncle Kim Yong-chu, by assigning tasks to each of them.

The behavior of Kim Chong-il, who has governed North Korea in the shadow of Kim Il-song's behest during the past year, is considered to be aimed at earning time to do preparatory work for his power succession while displaying his image as a "dutiful son" to the utmost by delaying his accession to the "throne."

It has been thought that Kim Chong-il has faithfully followed the Kim Il-song's line and has urged people to "implement Kim Il-song's behest" during the past year since Kim Il-song died. According to North Korean defectors, the North Korean people have become so exhausted with constant "movements" and "battles" that they hardly move for any new slogans. Accordingly, in a situation where Kim Chong-il depends completely upon the people's labor, instead of machines, in increasing production, the "behest" of Kim Il-song, who won the people's absolute support, is the only means by which Kim Chong-il drives the hungry and exhausted people to work sites.

Second, Kim Chong-il has had great interest in embracing the People's Army. His activities to encourage the army this year started with a visit to the 241st Unit of the People's Army on 1 January, followed by a receipt of the participants ot an army agitators meeting on 28 January, a visit to a women's coast artillery company of the 291st Unit on 5 February, a visit to the 155th Unit of the navy on 6 February, and an inspection of the 1017th Unit on 25 April. Kim Chong-il's frequent visits to army units are considered to be a deliberate act aimed at covering his weak point of having no experience in the army and at narrowing the gap between the army and himself.

Third, it is confirmed that Kim Chong-il has desperately made all possible efforts to solve food problems. It is a convincing analysis that North Korea's acceptance of our rice and its request for Japanese rice aid were made at Kim Chong-il's instruction.

It has been learned that foreign diplomats' credentials, which had been presented to Kim Il-song when he was alive, were received by Vice Presidents Yi Chong-ok (five times) and Pak Song-chol (twice). It is thought that Vice Presidents Kim Yong-chu and Kim Pyong-sik did not have an opportunity to receive credentials from foreign diplomats because of Kim Chong-il's principle of task allotment and control (of Kim Yong-chu).

Kim Chong-il has reportedly replaced only five important officials since Kim Il-song died. The appointment of Hyun Chun-kuk as director of the WPK International Department was the most noteworthy among the five reshuffle cases. Hyun Chun-kuk is an authority on the press who has been responsible editor-in-chief of NODONG SINMUN for 16 years and is also chairman of the Korean Journalists Union. Experts on North Korean affairs consider the appointment of Hyun Chun-kuk as director of the party's International Department to reflect Kim Chong-il's intention to attach importance to diplomacy with China by employing Hyun, who was ambassador to China (1966) and director of the party's International Department (1986).

Meanwhile, it has been learned that compared to the reshuffle of high-ranking officials, a rather large-scale reshuffle of diplomats was carried out. As of 30 April, Kim Chong-il reshuffled 41 diplomats: 26 new ambassadors were appointed and 15 ambassadors dismissed. Most of the diplomats serving in Africa and Asia were reshuffled. This is interpreted as a reshuffle to prepare for the future opening of the Asia-Pacific era and attach significance to nonaligned countries.

Yi Song-tae, chairman of the State External Economic Affairs Commission, has paid the most visits to foreign countries since Kim Il-song died. He has visited China twice and Thailand and Bangladesh once. We view that he has paid the most visits to foreign countries because he is in charge of external economic affairs. He is followed by Hyon Chun-kuk, director of the International Department of the WPK Central Committee, who has paid three visits to foreign countries. Five officials, including Hwang Chang-yop, secretary of the WPK Central Committee in charge of international affairs, have paid two visits. Among the directors of WPK departments, ministers, and leaders of parties and public organizations, 17 officials, including Vice President Yi Chong-ok, have visited foreign countries. They have mostly visited China and Thailand, Indonesia, and other Southeast Asian countries. This is an indication of North Korea's serious foreign exchange problem and the sphere of its diplomacy.

Hwang Chang-yop, secretary of the WPK Central Committee in charge of international affairs, has held talks with foreign dignitaries or delegations on 13 occasions, from 8 July 1994 until 30 April. He is followed by Yi Song-tae, chairman of the State External Economic Affairs Commission, who has held talks three times. Three officials, including Yo Yon-ku, vice chairman of the Supreme People's Assembly [SPA], have held talks twice, and four officials, including Kim Yong-nam, vice premier of the Administration Council and foreign minister, have held talks once.

If we define "for one to meet one's guest at one's office and talk to him, not holding formal talks" as having a conversation [tamhwa], then Hwang Chang-yop, secretary of the WPK Central Committee in charge of international affairs, and Kim Yong-nam, vice premier of the Administration Council and foreign minister, have each had conversations with foreign dignitaries on 16 occasions. They are followed by Vice President Yi Chong-ok, who has had conversations on 14 occasions, and Yang Hyong-sop, chairman of the SPA, who has had conversations on nine occasions. Kim

Yong-sun, WPK secretary in charge of South Korean affairs, has had a conversation on eight occasions, and Vice President Pak Song-chol and Chang Chol, vice premier and culture and art minister, on six occasions each. Vice Premier Hong Song-nam and Vice President Kim Pyong-sik each had conversations on four occasions. Kim Chong-il's uncle, Kim Yong-chu, had a conversation only once. This was the only time he carried out an official duty, in addition to two visits to plants.

Inter-Korea Cooperation Fund Needs Replenishing

SK2307020695 Seoul THE KOREA HERALD in English 23 Jul 95 p 2

[FBIS Transcribed Text] The Ministry of National Unification asked for 250 billion won to replenish an inter-Korea cooperation fund when it met with the ruling party on next year's government budget yesterday.

The budget request is more than four times the 55 billion set to be put into the fund by the end of this year.

The drastic increase results from the South Korean aid of 150,000 tons of rice to North Korea, which the South Korean government has decided to finance out of its inter-Korea cooperation fund.

The fund, which is set to increase to 225 billion won by the end of this year, will be nearly depleted when it pays 184.5 billion won for the 150,000 tons the government has bought to deliver to North Korea.

Established in 1991 to finance South Korean projects for North Korea, the fund relies mostly on contributions from the government's budget for its replenishment.

At its meeting with the ruling Democratic Liberal Party yesterday morning, the Ministry of National Unification demanded a drastic increase in its budget for burgeoning inter-Korea cooperation projects—from 81.74 billion won this year to 233.78 billion won next year.

The budget request includes 3.51 billion won for the project to supply North Korea with replacement nuclear reactors.

The ministry said it will actively respond to new developments in inter-Korea relations, promote phased exchanges and cooperation with North Korea and collect information on North Korea's policy shift.

In what appeared to be a major shift in policy, North Korea accepted an offer made by South Korea last month to supply 150,000 tons of rice to help relieve its acute food shortage.

Earlier this year, North Korea also agreed to accept South Korean-type, light-water reactors to replace its graphite-moderated reactor, which was suspected of having been used to produce weapons- grade material.

The ruling Democratic Liberal Party is set to hold budgetary consultations with other ministries and government agencies before the government's budget request is sent to the National Assembly for approval during its regular session starting in September.

NSP Obtains Arrest Warrant for Pak Yong-kil

SK2607012595 Seoul CHOSON ILBO in Korean 26 Jul 95 p 29

[Report by Yi Yong-yon]

[FBIS Translated Text] On 25 July, the Agency for National Security Planning [NSP] obtained a prior court warrant against Pak Yong-kil (76), the widow of the late Reverend Mun Ik-hwan, who went to North Korea without prior government consent on 28 June to attend events marking the first anniversary of Kim Il-song's death. She is charged with the violation of the National Security Law. The NSP intends to arrest and question Mrs. An as soon as she returns through Panmunjom.

Pastor's Return Linked to Economic Aid, Talks

SK2607041795 Seoul CHOSON ILBO in Korean 26 Jul 95 p 1

[Report by Kim Yon-kwang]

[FBIS Translated Text] It has been learned that, if North Korea does not immediately return the Reverend An Sung-un and he is confirmed to have been kidnapped, the government will reexamine not only the issue of holding the third round of North-South talks slated for 10 August, but also its policy of expanding North-South economic cooperation. A government official stated on 25 July: "The Chinese Government will soon confirm whether the Rev. An was kidnapped by North Korea." The official then added: "Unless North Korea immediately repatriates him, the issue of holding a third round of South-North talks will be unclear."

Working With PRC Authorities

SK2607075495 Seoul YONHAP in English 0736 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — The government has been coordinating its efforts with the Chinese security authorities to find out exactly how South Korean Pastor An Sung-un, engaged in missionary work in Yanbian, China, recently entered North Korea, informed officials sources said Wednesday.

Upon hearing about the circumstances under which the clergyman of the Yoido Full Gospel Church went to the

North, the government plans to work out specific ways to handle the incident.

Working-level officials from the National Unification and Foreign Ministries and the Agency for National Security Planning were learned to be considering countermeasures under a tentative judgment drawn from the situation in which he was first reported missing that An did not go to the North of his own accord, as claimed by Pyongyang.

A government official said Wednesday, "Only upon the receipt of investigation results from the Chinese authorities will we be able to learn for sure whether Pastor An defected to the North as Pyongyang claims or if he was abducted. If An has been abducted, it is bound to adversely affect current inter-Korean relations."

The South Korean Embassy in Beijing was allegedly taking the abduction case too lightly in its initial stage.

A South Korean businessman 'based in Yangji told YONHAP correspondent in Beijing Wednesday that the Yanbian branch of the Korean Commerce Association, a grouping of South Korean businessmen based in China, made a verbal report to the consular section of the embassy on July 13, or four days after the clergyman was taken away by two unidentified young men, and filed a written report on July 18 or 19." [quotation marks as published]

The embassy reported the incident to the Foreign Ministry merely as a disappearance case and is sending counselor Cho Kyu-chu to the scene as late as Thursday, three days after North Korea's announcement of the alleged defection of An was on the air, Korean business sources noted.

Pressed to comment, a South Korean Embassy official said, "When we received the report first we judged it to be nothing more than a disappearance case. As it was about the same time as the second round of inter-Korean rice talks were scheduled to open in Beijing, we couldn't imagine that it was an abduction."

Pastor's Background Reported

SK2607111295 Seoul HANGUK ILBO in Korean 26 Jul 95 p 33

[Article by Yom Yong-nam]

[FBIS Translated Text] Reverend An Sung-un (50, address: Sihung-tong, Kuro-ku, Seoul) belatedly entered the ministry following his failure in business.

Born in Andong County, North Kyongsang Province, he came to Seoul when he was young and worked in barber shops. In the end of the seventies, he ran a jewelry shop in Toksan-tong, Kuro-ku in Seoul. In the early 80's, he opened a small stuffed toy plant and expanded his business, but went bankrupt in 1982. He entered Full Gospel Theological School in 1983 and started his career as a priest. Following his graduation in 1987, he studied two more years at Full Gospel Research Institute, then, in October 1990, went to Yanji in the PRC's Jilin Province by himself to do missionary work among ethnic Koreans. While traveling back and forth between the ROK and the PRC with his missionary work, he was ordained as a minister in 1992, and appointed missionary to the PRC in April 1993. He has worked actively as the minister of Kwangsok Church in Yanbian.

Support for Korean-Japanese Education Urged

SK2607094795 Seoul YONHAP in English 0810 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — Representatives of four Korean Residents' Associations in Japan Wednesday demanded that the Seoul government allow Koreans residing in Japan the right to visit South Korea regardless of their nationalities and urged the Japanese Government to employ Korean-Japanese citizens as civil servants in local governments.

Meeting with overseas residents and Consular Affairs Bureau Director-general Kim Sung-yong, Information Department Chief Kim Hong-su of the Union of Korean Youth in Japan and representatives from three other organizations called on the government to provide support for ethnic education programs for second- and third- generation Korean residents and studying in Japanese schools.

They also demanded that Seoul urge Tokyo to wholeheartedly apologize and pay compensation to all victims of Japanese colonial rule and the war triggered by Japan.

Expressing deep concern over the recent trend in Japan in which the Japanese glorified their colonial rule of Korea and their part in World War II, rather than showing regret over both instances, Kim and others urged the Japanese Government to share with other Asian countries the proper view of history before making wholehearted apologies to the victims and paying them compensation.

"On the occasion of the 50th anniversary of the end of World War II, the Japanese Government should clearly apologize its colonial rule of Korea and the invasion of Asian countries during WWII," they insisted, urging the South Korean Government to strongly call on the Japanese Government to fulfill these demands.

"Although the Japanese Government insists that the issue of compensation involving World War II has already been settled by the Korea-Japan basic treaty, there still remain a lot of issues awaiting settlement, including the so-called comfort women issue," they said. "At present, 22 lawsuits are underway."

Introducing the fact that only 8 percent of all Korean students in Japan currently attend the 160 'ethnic-Korean' schools in Japan, most of which, except for four pro-South Korean schools, are pro-Pyongyang Chochongnyon, they asked for help from the South Korean Government to help educate Korean-Japanese students about their history and national identity as Koreans.

"We are now buying Korean maps at our own expense to help educate those students about the geography of Korea," they said.

"Although the (Korean) Government insists that 65 percent of its budget which supports over 5 million overseas Koreans is allocated to educate them on their Korean identity, we have not received virtually any financial support from the Seoul government," they insisted.

Korean students attending Japanese schools should also be the beneficiaries of identity education, they said.

Denouncing the Japanese Government for failing to employ Korean-Japanese in its local governments and the Japanese firms for still discriminating against Korean-Japanese workers when hiring, they urged the Seoul government to take a more active role in calling for wider job opportunities for Korean residents.

They also said that the discriminatory policies have ironically kept the Koreans from applying for Japanese citizenship.

"Another reason that Korean-Japanese people maintain their Korean nationality is that they still face discrimination even after they become (Japanese) citizens," they said.

Exim Bank To Extend EDCF Loan to Beijing

SK2607070595 Seoul YONHAP in English
0642 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — The Export-Import (Exim) Bank of Korea will furnish 43 million U.S. dollars from the Economic Development Cooperation Fund (EDCF) to China for the first time.

Exim Bank President Mun Hon-sang and Bank of China President Wang Xebing inked an agreement Wednesday [26 July] in Beijing on the provision of 23 million dollars to be used in the construction of the South Harbor Bridge in Tianjin and in the expansion of Longkou Port in Shandong Province, an Exim Bank official said.

Another contract will be concluded at the end of August to extend an EDCF loan of 20 million dollars, which will be invested in the expansion of Yanji Airport in Jilin Province and in the restoration of Dongning Railroad in Heilongjiang Province, the official added.

The EDCF loans being provided are concessional government loans that the administration is offering to the socialist country at an annual interest rate of 3.5 percent and are scheduled to be repayed within 15 years, with a five-year grace period, the official noted.

Since 1987 the South Korean Bank has managed the government's economic fund which had been created to assist developing countries with their development projects, the official said.

Nuclear Waste Impact on Japan Sea 'Negligible'

SK2607063795 Seoul YONHAP in English
0517 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — A joint survey conducted by South Korea, Russia and Japan found that the level of radioactivity in the East Sea [Sea of Japan] where Russia dumped nuclear waste is similar to that in the northwestern Pacific, indicating the impact of nuclear dumping on the sea's environment is negligible, the Foreign Ministry said Wednesday.

Between March 18 and April 6, the joint survey team took water samples from various depths in seven areas near where the Russians recently dumped the waste in order to check the radioactivity level, the ministry said.

Officials of the International Atomic Energy Agency (IAEA) also joined the survey team to ensure impartiality, according to the ministry.

The second round of the joint survey will be conducted over a one-month period beginning Aug. 12 with seven South Korean experts, nine Japanese, 16 Russians and one IAEA official participating, the ministry said.

The Russian Government meanwhile has no immediate plan to dump additional nuclear waste in the East Sea, according to the ministry.

Russian Treatment Plant Planned

SK2607120295 Seoul YONHAP in English
1101 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — South Korea and Japan have decided to provide support for the construction by Russia of a liquid radioactive waste treatment plant near Vladivostok.

An official at the Science and Technology Ministry said Wednesday the decision was in response to Russia's request to the two countries for cash assistance in the plant construction.

The request was filed after Russia could no longer dump radioactive waste into the East Sea [Sea of Japan] as such dumping is prohibited under the London nuclear waste dumping prevention agreement that went into force last year.

Until last year, the official said, Russia used to dump liquid radioactive waste into the East Sea without treating it.

Under the decision, Japan would invest 10 million dollars in the plant construction and South Korea would provide equipment and parts worth 1 million dollars instead of furnishing assistance in cash.

"When the waste treatment plant is built with support from Japan and South Korea, Russia would not dump liquid nuclear waste into the sea," the official said.

Li Teng-hui Presence at IDU Meeting Unlikely

SK2407050795 Seoul YONHAP in English
0424 GMT 24 Jul 95

[FBIS Transcribed Text] Seoul, July 24 (YONHAP) — Taiwanese President Li Teng-hui is not likely to visit Seoul to attend the International Democratic Union (IDU) meeting for the heads of democratic parties slated for September.

Li's visit to Seoul could cause a diplomatic row with Beijing, as in the case of his visit to the United States.

Rep. Son Hak-kyu, chairman of the ruling Democratic Liberal Party's [DLP] international organizations committee, told an expanded staff meeting of his party Monday that Taiwanese authorities had indirectly advised him President Li does not plan to attend the Seoul IDU meeting in his capacity as the nationalist party's president.

In an IDU meeting held in Cannes, France, in early July to discuss preparations for the Seoul meeting, Son met with the Taiwanese delegate about the diplomatic issues which could arise between Seoul and Beijing if President Li were to visit Seoul and asked for Taiwan to understand the South's position regarding a possible visit by President Li.

The Taiwanese delegate told Son President Li would be busy in August and September with Taiwan's upcoming presidential election, hinting at the unlikeliness of Li's trip to Seoul, Son said.

In a related development, DLP policy committee chairman Yi Sung-yun will invite U.S. Ambassador James Laney and other foreign ambassadors in Seoul to a dinner Friday to ask for their cooperation and assistance in the IDU meeting.

Seoul To Draft New Atomic Energy Law Decree

SK2507125595 Seoul YONHAP in English
1119 GMT 25 Jul 95

[FBIS Transcribed Text] Seoul, July 25 (YONHAP) — Science and Technology Minister Chong Kun-mo Tuesday called for concerted efforts among all those involved in the North Korean reactor project, stressing that "for national interests, no person can shatter team work."

At an airport press interview upon his return from the United States, Chong asked relevant officials and scientists not to undermine team work so that the reactor project could be undertaken smoothly.

Minister Chong accompanied President Kim Yong-sam to his visit to San Francisco to be at the reception hosted by President Kim for Korean and Korean-American scientists in the United States.

He said frictions reported between some nuclear energy organizations could be ironed out shortly as a subcommittee has been formed under his control with the duty of fixing problems related to the atomic energy system.

The minister also said that a new implementation decree of the atomic energy law would be worked out by early October which, among others, would call for stable distribution of legal research funds to various institutes and colleges.

MND To Start Recruiting Naval Officers in '96

SK2607062195 Seoul CHOSON ILBO in Korean
26 Jul 95 p 2

[Report by Kang Yong-won]

[FBIS Translated Text] It was learned on 25 July that the Ministry of National Defense [MND] has decided to recruit 1,000 naval officers and 1,500 petty officers while gradually reducing the total number of naval personnel between 1996 and 2000. The decision was made because the Navy is now hampered in its operations since more than 30 small and medium warships are at anchor due to a shortage of naval manpower.

An official of the National Defense Ministry stated: "Since last year, the Ministry of National Defense and the Joint Chiefs of Staff have considered various measures to solve the problem of a shortage of naval manpower, finally reaching this decision."

The National Defense Ministry is reportedly planning to allocate a 14.9 billion-won budget for personnel expenses to recruit naval officers and petty officers for 1996, and to invest a total budget of some 50 billion won for this purpose until 2000.

Agricultural Ministry To Import More Beef

SK2607022895 Seoul THE KOREA HERALD in English 26 Jul 95 p 8

[FBIS Transcribed Text] The government has decided to import an additional 25,000 tons of beef this year to make up for a deficiency in the domestic supply, the Ministry of Agriculture, Forestry & Fisheries said yesterday.

"The ministry had originally planned to import about 123,000 tons of foreign beef this year. But, the additional imports will readjust the import quota to 148,000 tons," said a ministry spokesman.

"The domestic demand for beef has sharply increased over the past several years as the prices for pork and other substitute meat products are on the constant rise," said the spokesman.

By the end of this year, about 315,000 tons of beef will be consumed here, up about 16.7 percent over last year.

In 1994, the beef consumption rose by about 15.8 percent over the previous year.

With the drastic increase in the demand for beef, cattle prices have also jumped by about 8.9 percent to 17.8 percent over the past 12 months.

Strong Won Widening Trade Deficit

SK2607014395 Seoul THE KOREA TIMES in English 26 Jul 95 p 8

[FBIS Transcribed Text] The relatively large appreciation of the Korean won against the greenback is widening Korea's trade deficit and could cause it to soar beyond the 10 billion dollars projected this year.

The Ministry of Trade, Industry and Energy [MOTIE] said yesterday that the Korean won gained 4.3 percent against the U.S. dollar in the first five months of the year, considerably more than other Asian currencies did.

During the period, the Chinese yuan and the Hong Kong dollar gained 1.8 and 0.02 percent respectively against the greenback while the new Taiwan dollar actually lost 0.3 percent.

At the same time Korea was the only country during the period to post a trade deficit, recording 3.6 billion dollars in the red. Taiwan and China registered trade surpluses of 2.3 billion and 10.5 billion dollars in the period, indicating that the appreciation of the Korean won is highly irregular.

According to MOTIE export division director Kim Song-yol, a trade deficit for a country normally results in a strong demand for the dollar, thus making its currency less valuable in the international market.

"Much of the reason for the appreciation of the Korean won is psychological. There is a strong sentiment in the international market that Korea will perform well," he explained.

Kim said there is a recognition in the international market that the trade deficit is largely the result of the import of capital goods which will in turn result in improved industrial performance.

What is hard to understand, however, is the weakness of other Asian currencies even in the face of strong export performances and increasing competitiveness in the international market.

In the case of Singapore, its currency appreciated 4.2 percent against the greenback in the first five months of the year despite the fact that its trade deficit of 2.5 billion dollars was 1.1 billion dollars less than Korea's.

"The problem with the current situation is that the Korean won is getting stronger even though it is rather obvious that it will not be able to cope with the losses in price competitiveness this entails," another MOTIE official said.

While advanced economies like Japan can deal with a certain level of currency appreciation, this is not the case with a developing economy like that of Korea, especially since it is so dependent on exports. Japan, owing to its long-established economic stability, has been able to withstand the relentless appreciation of the yen through the relocation of production facilities in cost-effective regions.

"Unlike Japan, offshore production of Korean goods is not by itself sufficient to cope with the currency appreciation since it must buy much of the manufacturing equipment to do this from foreign countries."

As MOTIE Minister Pak Chae-yun indicated recently, a trade deficit of 10 billion dollars may not be threatening since it represents less than 9 percent of the nation's exports. But anything higher could spell trouble, he said.

The MOTIE officials said the government could theoretically come up with policy mechanisms to cause a depreciation of the won but this again is not something that can be executed by Korea independently.

"There is really little that we can do. We can only hope that global economic conditions change in our favor and that the psychological factors fade out soon," a MOTIE official said.

Discord Over Supervision of Rice Issue Reported

SK2407042395 Seoul TONG-A ILBO in Korean 24 Jul 95 p 2

[From the "Reporter's Eye" column by political desk reporter Kim Ki-man: "Teams Handling North Korean Affairs Fail To Work Hand in Hand"]

[FBIS Translated Text] During a Friday breakfast meeting arranged by the Korea Newspaper Editors Association on 21 July, Foreign Minister Kong No-myong commented on the possibility that President Kim Yong-sam will make a proposal to North Korea on 15 August by stating: "I can neither confirm nor deny it. Please watch with interest."

The public remarks by the foreign minister can be interpreted as meaning that "some important proposals will be made." However, the National Unification Board [NUB] that day officially denied the remarks, stating that "in a congratulatory address on the 15 August national liberation anniversary, President Kim may possibly mention North-South issues. However, the report that President Kim will make an epoch-making proposal to North Korea, such as the conclusion of 'a two plus two peace treaty,' is simply groundless. It is the official position of the government not to make such a proposal."

Based on some doubtful grounds, the NUB practically denied the foreign minister's remarks a few hours later.

This being the case, the people are confused. The Agency for National Security Planning was actually in charge of the provision of rice to North Korea. As a result, the NUB and Foreign Ministry were even unaware of the first round of rice talks until just before the talks were held in Beijing. The NUB only played the role of announcing the result of talks. Deputy Prime Minister Na Ung-pae and Foreign Minister Kong No-myong presented two different views concerning linking the ROK's and Japan's provision of rice to North Korea.

Deputy Prime Minister Na's theory was that nothing is wrong with Japan sending rice to North Korea first. On the contrary, Foreign Minister Kong's theory was that since Japan is accelerating rice support to the North for the purpose of establishing diplomatic relations with North Korea, Japanese rice should not go to North Korea before ROK rice.

With a concession by Deputy Prime Minister Na, the government's policy has finally been unified. Working-level officials could not help feeling a sense of unrest over this situation.

Relevant government offices and agencies continued showing discord over the issue of who was in charge of supervising the work of providing the rice to North Korea. However, the discord was finally settled when the NUB was designated as the office in charge.

The planning group for the support of the light-water reactor project that was formed last January is a subordinate organization of the NUB. However, the director of the group is a Foreign Ministry official, while the deputy director is from the NUB. As a result, discord within the group is always being reported.

Besides, at the moment, the teams handling unification, diplomatic, and security affairs are uneasy over a rumor concerning reorganization of the ruling party and the government. Since President Kim Yong-sam took office, five unification deputy prime ministers were reshuffled. A high-ranking official in the NUB said: "Frankly, the failure of government agencies to keep in step with each other is itself a problem. However, if the unification deputy prime minister is replaced again, this means that the pushing of champions to compete without allowing for prior experience is advancing. It is important for us to have a consistent philosophy in unification and security policy," thus expressing the concern.

FKI Head Criticizes Local Autonomous System

SK2207115095 Seoul YONHAP in English 1133 GMT 22 Jul 95

[FBIS Transcribed Text] Seoul, July 22 (YONHAP) — Choe Chong-hyon, chairman of the Federation of the Korean Industries (FKI), opined that the government has too hastily enforced the local autonomous system, bringing about a backlash from political circles.

At a summer seminar of chief executive officers in Cheju Island, the leader of the country's top business managers made the controversial remarks, and pointed out that there will be a great deal of trial and error given insufficient number of administrative officials.

"An urgent thing we have to do now is not to execute the local autonomous system, but to raise the gross national products per capita to 30,000 U.S. dollars," Choe strongly complained.

The FKI chairman continued, "For the smooth realization of the local autonomous system, 99 percent of the operation of the system should be done by administration, and the remaining 1 percent by politics. But the reality is not so."

Oil Slick Spreads to Southern Waters

SK2607034895 Seoul YONHAP in English 0053 GMT 26 Jul 95

[FBIS Transcribed Text] Yochon, South Cholla Province, July 26 (YONHAP) — The oil slick caused by the 140,000-ton tanker "Sea Prince," which ran aground in Typhoon Faye last Sunday [23 July], spread 40 kilometers Wednesday to seas off Samchonpo, South Kyongsang Province to the east and some 20 kilometers to the west in seas off Naro-to Island, Kohung County, South Cholla Province.

As a consequence, large schools of fish are dying at fish breeding farms in the nearby An and Kumho Islands and even Namhae areas in South Kyongsang Province. Unless the spread of oil is contained promptly, it is feared that waters in the Hanryo Maritime National Park will also be contaminated.

Over 120 vessels including six maritime police oil dispersant-spraying ships, 40 patrol boats, eight naval vessels and 60 private oil dispersant-spraying vessels are working to block the oil slick from further spreading.

The ill-fated tanker's owner, the Hoyu Shipping Co., plans to spray a large quantity of an oil dispersing agent from the air Wednesday morning and afternoon using a C-130 aircraft provided by a Singaporean firm specializing in fighting sea contamination.

The shipping firm is also studying ways to transfer crude oil from the grounded tanker to the Panama-registered ship "Diamond," as soon as the latter unloads its current cargo of crude oil at the Honam Oil Refinery Co.'s pier at Yochon Port. The "Diamond," which berthed at the Yochon pier Monday afternoon is expected to finish unloading Wednesday evening or Thursday morning.

Environmental experts speculated Wednesday that more than two months would be needed to completely clean up the oil slick which continues to flow from the grounded tanker.

But experts found some consolation in the fact that the oil slick is not crude oil that seriously affects the ecology and renders sea breeding impossible, but bunker-C oil.

In the meantime, the Yosu Maritime Police initiated Tuesday evening an intensive investigation into the exact cause of the oil tanker's accident by starting to question nine crew members including the ship's assistant navigator Chong Chu-sok, 39.

The police plan to question the remaining 10 crew members including the tanker's skipper, Im Chong-min, 41, Wednesday.

It is believed the entire 20-man-crew, all South Koreans, escaped to a nearby island when the "Sea Prince" caught fire, but chief engineer Song Chan-kun, 38, is still listed as missing.

IOPC Asked To Pay Compensation

SK2607063895 Seoul YONHAP in English 0616 GMT 26 Jul 95

[FBIS Transcribed Text] Seoul, July 26 (YONHAP) — The Foreign Ministry on Wednesday asked the International Oil Pollution Compensation (IOPC) fund to compensate for the damage caused by the oil spill from a grounded tanker off the country's southern coast, according to Foreign Ministry Spokesman So Tae-won.

The ministry made the request through a South Korean Embassy in Britain, So said.

The IOPC fund meanwhile dispatched Dr. Tosh Moller of the International Tanker Owners Pollution Federation (ITOPF) to South Korea to survey the damage from the 'Sea Prince' oil spill, he said.

The fund can provide up to 70.9 billion won in compensation for damage from accidents involving tankers.

The fund was established by oil importers who buy 150,000 tons of oil annually.

Government Opposes Planned Overseas Chip Plants

SK2507045395 Seoul CHOSON ILBO in Korean 18 Jul 95 p 11

[Report by Kim Kwang-hyon and Choe Hong-sop]

[FBIS Translated Text] The government has begun to put the brakes on the large-scale investments that Samsung and Hyundai are pushing ahead overseas.

The government claims that "there are problems in large-scale overseas investments because they are to be financed entirely through overseas funds." However, business circles interpret such a government claim as part of measures against conglomerates that the government will take in the second half of its term in office in the wake of the shattering defeat in the local autonomy elections, and this is attracting special attention.

In the case of Hyundai Electronics, plans were announced in mid-June to build a large semiconductor chip plant worth $1.3 billion in Oregon, the United States. But this company has not yet been able to even submit a request for overseas investment to the government.

Samsung Electronics, as well, agreed with U.S. and Japanese companies, such as Toshiba, to build a large joint-venture semiconductor plant worth $1.3 billion in the United States. But, Samsung Electronics has held off any official announcement of this without any explanation.

The two companies have yet to reveal specific reasons for their delay in making an official announcement. It has been learned, however, that Chongwadae [presidential offices] and the Board of Finance and Economy are opposed to these overseas investment plans, claiming the following: First, there is no reason whatsoever for building advanced semiconductor plants overseas, and second, the scale of investments is too big and is funded 100 percent by foreign banks.

An official concerned at the Board of Finance and Economy said that "100-percent reliance on foreign funds despite the increase in conglomerates' profits will create a foreign-debt management problem for the government," and added "the government is considering a plan to make it a strict rule that a business firm investing over $100 million overseas must have a certain ratio of its total funds financed through company funds."

In reaction, Samsung and Hyundai criticized the government, claiming that there are various complicated domestic procedures and regulations which make it difficult and virtually impossible to expand semiconductor plants or build new ones inside the country. They also insist that the government's measures to prevent our overseas business firms from attaining cheap foreign funds on the basis of their credit rating at foreign banks counters the government's globalization policy.

Samsung and Hyundai also claim that building their semiconductor plants in the United States are preventive measures to sidestep U.S. antidumping offensives against semiconductors.

Hyundai Electronics is continuing its efforts to persuade the government and will reportedly start construction of the plant in August.

Samsung Electronics, on the other hand, established a joint venture company last April to construct a home appliance production complex in Suzhou, the PRC. However, this company faces difficulty in the construction phase as the government has not yet approved this project. Samsung submitted a request to the Board of Finance and Economy and the Bank of Korea asking for approval of $34 million in Samsung's investment funds for the project. However, the request was rejected because "the amount of Samsung's investment is too high and its plan was not detailed enough."

Small Firms 'Excited' About North's Market

SK2407235695 Seoul THE KOREA TIMES in English 25 Jul 95 p 8

[FBIS Transcribed Text] Most small firms are excited about the prospects of investing in North Korea in fields like electronics, machinery and petrochemicals so they can take advantage of cheap labor there but only after 1997.

According to a survey by the Ministry of Trade, Industry and Energy [MOTIE], as many as 62.6 percent of all small and medium-size companies are hoping to make inroads into the North Korean market.

The most favorite areas of investment eyed are electrical and electronics with 70.6 percent, followed by machinery with 66.7 percent and petrochemicals with 61.3 percent, MOTIE officials said.

On the reasons for hoping to invest in the communist North, 23.8 percent said they wanted to take advantage of the low cost of labor, 18.7 percent anticipated benefits after national unification and 17.5 percent cited language and cultural similarities.

However, an overwhelming 89.1 percent said they would wait until after 1997 before making any financial commitments in North Korea, keeping their eyes peeled for further signs of stability in South-North relations.

As for the method of investment, 26.1 percent said they would pursue their projects independently, 22.5 percent eyed cooperation with other enterprises and 8.2 percent expected to cooperate with North Korean companies.

As for the most suitable investment site, 30.3 percent said it was Pyongyang, 25.8 percent chose Najin and Sonbong, 15.9 percent went for Haeju and 15.2 percent Wonsan, the MOTIE officials said.

The survey, one of a series conducted by MOTIE on a quarterly basis under a monitoring system, targeted a total of 200 companies, most of which have a work force of less than 100.

Meanwhile, the survey showed that the payment for goods with promissory notes continues to be a major problem for small companies, which are constantly under financial pressure.

The MOTIE officials said more than 70 percent of the payments made by both large and small companies are in the form of commercial paper, some of it with maturity of more than 90 days.

"The settlement of accounts using promissory notes creates a vicious cycle in that the recipients are forced to do the same to other small firms. Only 24.5 percent of the firms are operating on a cash basis," one MOTIE official said.

Fortunately, business at small companies did improve in the second quarter of this year with 63.2 percent posting growth as opposed to just 17.3 percent suffering declines over the corresponding period of last year.

The survey showed that 36.5 percent of the 200 firms registered business expansions of more than 10 percent and another 22.4 percent saw figures of under 10 percent but growth nonetheless.

The responding companies expressed a generally favorable outlook for the third quarter, with 58 percent saying that they are expecting strong growth in overall turnover.

Domestic Banks Increase Presence in China

SK2207041595 Seoul THE KOREA HERALD in English 22 Jul 95 p 8

[FBIS Transcribed Text] Domestic banks have strengthened their presence in China where investments by Korea companies have risen sharply.

The Commercial Bank of Korea has become the nation's first bank to set up a branch in Shanghai, the commercial center of China, Wednesday [19 July].

The Industrial Bank of Korea opened a representative office in Tianjin Thursday.

With the new openings, the number of Korean bank operations in China has increased to 14, including four branches.

Korea Exchange Bank has two branches in China—in Tianjin and Dalian—and Cho Hung Bank has a branch in Tianjin.

Five Korean banks have been operating their respective representative offices in Beijing, seeking Chinese approval for branch operations. The five are Korea Exchange Bank, the Korea Development Bank, the Export-Import Bank of Korea, Korea First Bank and Korea Housing Bank.

"The Shanghai branch is an upgrade from our representative office, set up in April 1993, and it will conduct most banking business except dealing in the yuan, an area that China still bars to foreign banks," said Yi Chae-sun, manager of the International Department of the Commercial Bank of Korea.

Yi said about 140 Korean firms are doing business in Shanghai.

In Shanghai, two other Korean banks—Hanil and Kukmin—are now operating representative offices, Kukmin's representative office opened last month.

Industrial Bank of Korea is the nation's second bank to establish a representative office in Tianjin following Sinhan Bank.

Out of a total of 2,115 investment projects approved by the Korean government as of the end of last year, 216 projects are undertaken in Tianjin.

"More openings are expected by the end of this year as the Korean government has given a go-ahead for the opening of banking operations by Korean banks in China this year," said a Bank of Korea official.

In 1992, Cho Hung Bank opened a branch in Tianjin and Korea Exchange Bank established a representative office in Dalian.

The Industrial & Commercial Bank of China is now seeking to upgrade its representative office in Seoul into a branch, which the Korean government approved. The Chinese bank is waiting for final approval from the People's Bank of China.

IPR Protection Conducive to Tech Cooperation

SK2207043295 Seoul THE KOREA TIMES (Supplement) in English 22 Jul 95 p 11

[Speech to be delivered by Kim Chu-chin, chairman of the Anam Group, member of the Steering Committee of the ROK-U.S. Economic Council, and chairman of the IPR Committee, at the 8th Joint ROK-U.S./U.S.-ROK Business Conference to be held in Washington beginning 23 July; by Kim Chu-chin]

[FBIS Transcribed Text] The most significant result of the Korean government's efforts has been the change in attitude among Koran people and businesses. Today, it is widely accepted in Korea that IPR [intellectual property rights] protection is fundamental to the development of technology and the economy of Korea. IPR protection is no longer regarded as a matter arising from the pressures exerted by other countries.

As stated in Dr. Thurston's report to the USTR [U.S. Trade Representative] this year, the internal directives of the Supreme Prosecutor's offices clearly indicate that "under the creation of the WTO [World Trade Organization], there is a necessity for sustained IPR activities in order to stimulate advanced technology and to promote international competition." I think that this change in attitude is the most important development in IPR protection in Korea.

For example, more and more companies, led by the large conglomerates, have instituted company educational programs and audits for IPR protection and have dedicated a greater portion of their budgets for the eradication of practices infringing upon IPR, particularly in the area of computer software programs.

Furthermore, as Chairman Hyon reported, the Korean Government has prohibited the use of illegally reproduced computer software, which is now subject to severe punishment. This is a very significant development which also addresses one of the major concerns of American companies. Together with the Korean companies' efforts to eradicate the misuse of computer software, this recent development should dramatically decrease the infringement of computer software rights.

Under these circumstances, I would say that the protection of IPR in Korea has now reached, or at least will soon reach, the level of other industrialized countries and meet internationally accepted standards of protection.

I would now like to discuss how the increased protection of IPR in Korea has created a business climate that is conducive for greater technological cooperation between Korean and American companies. I emphasize this because in the past American companies have been reluctant to transfer or exchange technologies with Korean companies because the protection of IPR in Korea was believed to be inadequate.

According to statistics published in 1994, trade with the U.S. exceeded 20 percent of Korea's total trade. Also, U.S. investment in Korea exceeded 305 of all foreign investment in Korea. According to these statistics, there is no doubt that the U.S. is Korea's most important trading partner in the world.

Thus, one would expect that the U.S. would also be Korea's most important partner with respect to technological cooperation. However, the statistics indicate that the level of technological cooperation between our two countries is far below such expectations.

The percentage of technological cooperation between Korea and the U.S. has been only 26.9 percent of the total number of such cases between Korea and other countries, which is far less than the 48.6 percent between Korea and Japan.

Furthermore, the statistics regarding technology licensing by foreign companies to Korean companies reveal that American companies were involved in 27.1 percent of such licensing, which is much less than the Japanese companies' 49.5 percent.

Also, the statistics regarding the joint development of technology reveal similar information with American companies involved in 23 percent of such development and Japanese companies involved in 32 percent.

Even though Korean companies are involved in more technological cooperation with Japanese companies than American companies, a survey has shown that the country that Korean businesses would most prefer to have technological cooperation is the U.S., which was the choice of 41.6 percent of those surveyed, which Japan was the choice of only 35.3 percent. Thus, it is obvious that Korean companies would like to have more technological cooperation with American companies.

In this regard, there has been some technological cooperation between Korea and the U.S. in the areas of semi-conductors, electronics, telecommunications, aviation, nuclear energy, and medical equipment. However, I believe that many more areas exist in which cooperation can occur, particularly in the high technology areas.

In order to induce technology licensing from foreign companies, the Korean Government amended the Foreign Capital Inducement Act effective this past April 1st by abolishing the reporting requirement for technology licensing. All technology transfers from foreign companies can now be made freely without reporting to, or receiving approval from, the Korean government.

Furthermore, as you may know, the Science and Technology Agreement between the Korean and U.S. Governments, which was executed in 1976, expired in 1988 without being renewed. The reason for not renewing was a lack of confidence by the U.S. Government in Korea's IPR protection in 1988.

However, in 1993, the two governments renewed the Science and Technology Agreement as well as executing the Patent Secrecy Agreement, which was a result of Korea's consistent efforts to increase its protection of IPR since 1988.

I believe that enhanced technological cooperation will benefit our countries, especially under the new WTO system. And if the U.S. Government now has enough confidence in Korea's protection of IPR to renew the Science and Technology Agreement, it seems that American businesses should also take notice of the accomplishments of the Korean Government in this area.

In this regard, I strongly recommend that our Committee consider appropriate ways to enhance technological cooperation between the industries of our countries.

If such enhancement is delayed, Korean technology may become too dependent upon Japanese technology, a result, I think, that neither of our countries would desire.

The major concerns of American companies regarding IPR protection in Korea have been resolved either by the amendment of laws or by the agreement between the two governments.

While there may be certain minor areas with which U.S. industries may still not be fully satisfied, I think it is only a matter of time before those areas are also rectified. The strong intentions of both the Korean government and the private sector will certainly result in greater IPR protection in the near future.

Under these circumstances, I believe that now is the appropriate time for our Committee to take a leading role in providing information about the current IPR protection in Korea to American businesses and to promote more active technological cooperation between the industries of our two countries, which I believe will greatly benefit both Korea and the U.S.

Burma

Opposition Leader Suu Kyi Seeks 'Dialogue'

AU2507145495 Vienna DIE PRESSE in German 25 Jul 95 p 4

[Interview with Aung San Suu Kyi, Burmese Nobel Peace laureate and opposition leader, by Raoul S. Kirschbichler; place and date not given: "Dialogue Is the Best Form of Confrontation"]

[FBIS Translated Text] [Kirschbichler] Shortly after your release you stated that you want to lead Burma, today's Myanmar, in the direction of democracy. For this purpose, however, there must be an appropriate constitution. The SLORC (State Law and Order Restoration Council) has been working on a new constitution for about two years. How much influence do you have on this new, future constitution?

[Aung San Suu Kyi] The future constitution must be tailored to the people in our country, to their wishes and hopes. The people themselves should be able to decide important points. For this, however, it is also necessary that every political group, every party, and also the military junta, realizes which role it can and should play in this country in the future. Reconciliation is essential. However, it can be achieved only if both sides are ready for it. You cannot clap your hands with one hand, either.

Therefore, I want to open up a dialogue with the military junta. And all points with which the National League for Democracy does not agree should be negotiated in an open dialogue. Everything can be negotiated.

[Kirschbichler] You always speak of a dialogue without confrontation. What should such a dialogue be like? After all, completely different views are clashing here?

[Aung San Suu Kyi] Dialogue is the best form of confrontation. One sits down at a table and confronts one's interlocutor with one's views. Of course, there is also a "violent confrontation." But we are not interested in that. We want, first and foremost, that all people know their rights and that these rights are also respected by the political representatives.

[Kirschbichler] How effective is the National League for Democracy (NLD) as a political party?

[Aung San Suu Kyi] I believe that we are more effective than many people can imagine. Perhaps our actual strength is not obvious, but I can assure you that we still feel the inner strength to lead this country into a new future. And over the next few weeks I will meet with many representatives of our party so that I know what is going on in every single region. Parallel to that, the various minorities must once again gain trust in politics; otherwise it will not be possible to establish a strong and lasting union. I hope that the other countries will support our democratic goals.

[Kirschbichler] How much have you changed over the past six years?

[Aung San Suu Kyi] On the inside I have become even stronger, on the outside I have become more approachable.

Thai Paper Interviews Aung San Suu Kyi

BK2607071595 Bangkok THAILAND TIMES in English 26 Jul 95 p A2

["Exclusive Interview" with Aung San Suu Kyi, "Burmese opposition leader and Nobel laureate", by Chuchat Kangwan and Pratya Warin, correspondents of the THAILAND TIMES; date and place not given]

[FBIS Transcribed Text] TT [Thailand Times]: What are your plans for reconciliation?

ASSK [Aung San Suu Kyi]: We haven't gone into details about it yet as I said. We are still meeting with many members of the NLD [National League for Democracy], of course, with U Aung Shwe, U Lwin, U Tin Oo and U Kyi Maung all the time. But I am also meeting with representatives from states and divisions. So, we haven't set out a policy yet.

TT: Have you received any positive signal from the SLORC [State Law and Order Restoration Council] for a dialogue?

ASSK: We haven't formally asked for dialogue yet, because we ourselves are not yet ready.

TT: How long will it take before you can call for a dialogue?

ASSK: We cannot say how long it will take. It's no use making these predictions because there are so many people we need to see. So, once we've met everybody and once we gathered enough information, my elders — U Kyi Maung, Uncle U Tin Oo and U Aung Shwe — will decide when they think it's the right time, then we shall... (Note: she did not elaborate).

TT: Do you think there will be any difficulty or problems between you and the NLD (National League for Democracy)?

ASSK: There's no difficulty, no division between the NLD and myself. Of course, there were some problems within the NLD because I was expelled and so on. But we think we can remedy this very easily because U Tin Oo, U Kyi Maung and I understand very well why U Aung Shwe and U Lwin had to take such decision. So, there's no problem now, and we hope there won't be any in the future.

TT: With the SLORC, I do you think you will create problems for your political movement?

ASSK: I think that's the question you have to ask them. Why don't you go and ask them. I'd like to know, too.

TT: We understand that some of them (SLORC members) have voted in favor of your release. I believe it's obviously because of international pressure. I mean there must be some sort of reconciliatory plan. Did you detect it when meeting with them?

ASSK: In my everyday dealings with my liaison officers I have never had any problem. Of course, I made it quite clear that I disagreed with what they were doing. But on human terms I have a fairly good relationship with my liaison officers. I do not see why this can't be extended.

TT: Under your political activities, do you have any plan to organize people and keep the momentum up?

ASSK: I want to explain that this is something that we have to decide together. I alone do not decide everything. I have to consult with my elders. I have four senior members still advising me. We always work together, we consult each other about everything. I don't do anything alone. I talk to them and we consult each other. And then when we come to achieve a consensus about our next move and we think it's the right time to publicize, we shall do so.

TT: Why do you think you were released?

ASSK: I don't know. Perhaps because the time was up. They (SLORC) would have had to change the law or reinterpret it — make a reinterpretation of the law — in order to keep me in longer. Only SLORC would know why they decided to release me. You should go and ask them and tell me the answer.

TT: Are you willing to go to the negotiation table if SLORC calls for it?

ASSK: Well, we are calling for negotiations. So if SLORC calls for it why should we hesitate?

TT: What if they call it without the NLD, but only you?

ASSK: Well, we would take it step by step. Let us see what happens. At this moment I don't rule anything out and I don't rule anything in. It's too early in a day to say we don't do this or we don't do that. This is the time to keep the options open and our minds wider.

TT: Can you comment on the on-going national convention drafting the constitution?

ASSK: I think I have commented on it a number of times. As I said before everything should be open to negotiation. Because a national convention should be a truly national character acceptable to all the people of Burma.

TT: Does that mean it has to be reconvened?

ASSK: Let us see how we can make it acceptable to the people of Burma.

TT: Can you tell us if your political programs will be concerned with the improvement of human rights and democracy for Burma?

ASSK: The most important thing is to make the people understand what democracy is and what human rights are all about. But, mind you, they already understand quite a lot. In the last few years, they have learned that you can have things like foreign investment without democracy. And this makes sense. This is not a bad idea because there were some people who used to think that democracy makes people westernized or brings in foreign influence or makes people very materialistic — you know karaoke bars and things like that. And now, of course, it's not a bad idea they know that's nothing to do with democracy at all. It's part of the learning process. And this will continue.

TT: So in that case and in that sense what will be the role of the military in your view?

ASSK: The military has a role to play in the nation. As I've always said who plays what role should be decided by the content of the people. It is the people, it is according to the will of the people that we should decide who should play what kind of role. Unless this is done, I do not think the future for our nation will be bright. Without the support of the people, without the confidence of the people, no government can achieve anything substantial.

TT: Are you referring to the power to the people through the polls?

ASSK: In the end that's democracy. It will have to be power through the polls, of course.

TT: Then, the military, if they want to play a political role should quit the military service?

ASSK: I'm not saying that at the moment. You know, as I said what we've got to do is to find out what we can do to achieve reconciliation. So we can go towards a goal that is acceptable to all the people without hurting anybody as far as possible.

TT: There are some criticisms against people like yourself or the ones educated in the West, that they have the ideas of Western democracy which could not be applied in Southeast Asian countries. For example, Malaysia and Singapore have military role like in Indonesia. Will you accept such role if the military will play politics without quitting the military service?

ASSK: There's a lot of difference between countries like Indonesia and Burma. In the first place, Indonesia is predominantly Muslim and we are a Buddhist country and our cultures are very different. So what is right for Indonesia is not necessarily right for Burma. And similarly, Malaysia too is predominantly Muslim. So, their culture is very different from us. So what is right for Malaysia is not necessarily right for Burma either. And if the people say western type of democracy is not suitable for Burma, I want them to explain which part of democracy. And usually they cannot answer. And you should ask these people who say western type of democracy is not suited to Burmese culture to pinpoint which aspects of democracy are alien to Burmese culture. And I don't think they will be able to give any concrete answer.

TT: Very soon there will be the ASEAN foreign ministers' meeting. ASEAN has the constructive engagement with Burma. Now with your release, do you think the ASEAN can play a further role in exercising constructive engagement with Burma?

ASSK: I think every country in the world has a role to play in such matter as ASEAN does. Of course, ASEAN is a neighbor of Burma and it has a special role to play. But exactly what role should be, we've got to reassess the situation. And I think then you should decide. I think one should not stick to one policy forever. I think, it is time for ASEAN to reassess seriously the situation, and honestly, try to find out how far constructive engagement has succeeded. Nobody can say for sure why I was released. Nobody can claim it was all to do with constructive engagement nor can be said for certain that it's just part to do with international pressure.

TT: Some ASEAN officials including some Thai officials said now is time the SLORC can show to the world that they have succeeded in economic reform and with Aung San Suu Kyi's release she will not be posing a threat to the SLORC. What do you think about it?

ASSK: I think I understand everybody. I've been released, but all right what does this mean? It's a change of situation for one individual Burmese. What do you want to see? The change of 45 million Burmese? So, I would say to ASEAN "Please look at the situation carefully and see if there has been a change of situation of 45 million Burmese before they see there has been a genuine change. I am just one individual.

TT: Some changes have been detected in Thai foreign policy. I think you have heard about it. Late last year because of Thailand harboring some ethnic minorities there were clashes along the borders. And that made SLORC very angry. What do you think about Thailand's policy?

ASSK: At the moment there's the new government in Thailand and a new foreign minister. Of course, the policy is the same because they have no time to reconsider the policy or to develop a new one. So, let us wait and see what this government decides to do. Let us not make premature statement until we know how the new government looks upon the Thai-Burmese relationship. So there's very little point in my making comments.

TT: What message do you want to give to Thai government and Thai people in general. Because, Thai people have supported you. Thais are very much against human rights abuses. We fought the regimes.

ASSK: I want to thank the Thai people for their support given me for my cause. I know that there is a possibility or even firmer friendship between our two nations in the future if we both go about it in the right way. I would like to say "Please look at the 45 million Burmese. Please look at the situation. Please think of them rather than the government or me alone. The most important thing is to look at the situation of the people of Burma.

TT: A lot of people are worried about your safety. Are there enough measures being taken for your safety? Because, you are now the national hero.

ASSK: I don't like to be called national hero or heroine, anything of that sort. I would just like to think of myself as one of the people struggling for democracy. Although the spotlight have been focused on me mainly because I am a father's daughter and I am in the center stage, I have very very able colleagues. And it is with their support and their advise and the power of the people behind me, I've got to be aware where I am.

And as for my security, I'm sensible about it. And you know I don't want to take too much time and trouble for it. The government have said they will continue to take care of security if I would ask them to. This is in the message the Senior Gen [General] Than Shwe said. So I discussed it with Col [Colonel] Kyaw Win who brought the message and we decided that it would be a good idea to continue the security arrangement because they are more efficient about it. So, that I have done. But I want to put my energy into more important thing than my day to day security.

TT: What would you like to say to overseas Burmese?

ASSK: Thank you for the support they've given me. Don't be impatient. Don't think the struggle is over. But we will do our best to bring democracy to Burma without bringing suffering to the people of Burma on the way there.

TT: Your father founded BIA (Burmese Independence Army) in Bangkok. Did your mother ever tell you about what your father did in Thailand and of any Thai friends?

ASSK: My father married my mother a year or so after he came back from Bangkok. He just passed through there and didn't stay there very long. So, he didn't mention very much about it. Probably, he had no pleasant things to talk to her about.

Kachin Leaders Pay Courtesy Call on Than Shwe

BK2507153295 Rangoon Radio Myanmar in Burmese 1330 GMT 25 Jul 95

[FBIS Translated Text] Kachin Leader U Zau Mai; organization members U Lamung Tu Jai, U Sai Phone, Dr. Tu Ja, and Dr. La Ja; and peace mediators, U Zabwe Guom, U La Wom, and U Hkun Myat from Kachin State Special Region-2 paid a courtesy call on Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and commander in chief of the Defense Services, at the Defense Services Guest House on Inya Road in Yangon [Rangoon] at 1000 today.

Also present were General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and army commander in chief; Lieutenant General Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; and responsible personnel.

SLORC Chairman Sr. Gen. Than Shwe next had lunch with Kachin Leader U Zau Mai and party. Also present at the luncheon were Gen. Maung Aye, SLORC vice chairman; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, deputy prime ministers; Lt. Gen. Myint Aung, minister of agriculture; Lt. Gen. Maung Thint, minister of progress of border areas and national races and development affairs; and Major General Aye Kyaw, minister of information.

Brunei, Malaysia & Singapore

Malaysia

Deputy Prime Minister Criticizes U.S. on Bosnia

BK2607131795 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 26 Jul 95

[FBIS Translated Text] Foreign Minister Datuk Abdullah Ahmad Badawi today said that Malaysia remains firm in its decision to send additional soldiers to Bosnia even though the United Nations rejected it.

Speaking to journalists at the Kuala Lumpur International Airport in Subang, he said that a special committee comprised of officials from the Ministry of Foreign Affairs and the Ministry of Defense will be established to study the decision made by the Organization of Islamic Conference, OIC, in Geneva. Among other things, the OIC decided that the Bosnian arms embargo should be lifted to enable the Bosnians to defend themselves. The committee will be chaired by Datuk Abdul Halim Ali, deputy secretary general to the Ministry of Foreign Affairs.

Deputy Prime Minister Datuk Sri Anwar Ibrahim has also commented on U.S. opposition to the proposal from Malaysia and OIC to supply arms to Bosnia.

[Begin Anwar recording] The United States should study in detail the reasons behind Malaysia's proposal to supply arms to Bosnia. It has decided to do so because the United States does not make any decision. This is a delaying tactic in taking any action to help the Bosnians and is giving a gift to the Serbs aggressors. This is not fair. [end recording]

Abdullah Reaffirms Troops To Remain in Bosnia

BK2507161995 Kuala Lumpur UTUSAN MALAYSIA in Malay 25 Jul 95 p 32

[FBIS Translated Text] Kuala Lumpur 24 July — Foreign Minister Datuk Abdullah Badawi today said Malaysian troops will remain in Bosnia-Herzegovina at the request of the Bosnian Government. This is in accordance with the convention on the punishment of crimes and mass murder.

He said as one of the signatories of the convention Malaysia can intervene and play a role in stopping the genocide in the former Yugoslav republic.

"We can respond to the request of the signatory countries because Bosnia-Herzegovina has become the victim of mass murder. The convention allows all signatory countries to intervene and help those who have become victims," he told journalists on his return from the meeting of the Organization of the Islamic Countries, OIC, contact group on Bosnia which opened in Geneva on Friday.

Abdullah was asked to brief on Malaysia's stance about its troop presence in Bosnia-Herzegovina should the United Nations, UN, finally withdraw the UNPROFOR [United Nations Protection Force] forces.

An OIC member country, Malaysia has troops in Bosnia-Herzegovina under the UNPROFOR peace keeping mission. The other OIC member countries with troops are Bangladesh, Turkey, Pakistan, Egypt, Jordan, and Indonesia.

There are about 15,000 peacekeeping soldiers from OIC member countries in Bosnia-Herzegovina.

Abdullah said he will submit a complete report on the results of the OIC meeting to Prime Minister Datuk Sri Dr. Mahathir Mohamed and his cabinet at a meeting on Wednesday.

He said the OIC contact group meeting on Bosnia has accepted all the Malaysian proposals including the declaration that the UN arms embargo against Bosnia was invalid and unfair.

The declaration on the invalidity of the Bosnian arms embargo will enable Malaysia to supply adequate arms to its troops if the UNPROFOR forces are withdrawn from the republic.

Abdullah did not elaborate on the number of OIC member countries that had expressed their readiness to sell arms to Bosnia- Herzegovina after the declaration on the lifting of the arms embargo.

Mahathir Welcomes SRV Membership in ASEAN

BK2507132695 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 25 Jul 95

[FBIS Translated Excerpt] Malaysia welcomes Vietnam's membership in ASEAN. Prime Minister Datuk Sri Dr. Mahathir Mohamed said that the system of government adopted by the country does not create any issue.

[Begin recording] [Mahathir] We welcome Vietnam's admission into ASEAN because we feel that there is no need for us to question its government system. The important thing is that Vietnam accepts the system of free market economy and now Vietnam has accepted this. Vietnam also has the potential to become one of the developed countries in Southeast Asia.

[Unidentified correspondent] Will Vietnam not pose a problem to ASEAN because it is a communist country?

[Mahathir] No. There is no problem at all. We never question its domestic affairs. It is not the policy of ASEAN to question the political system in that country.

[Correspondent] What about the Spratlys issue?

[Mahathir] We can all discuss this. [end recording] [passage omitted]

SRV Minister Seeks Industrial Investment

BK2407063395 Kuala Lumpur THE STAR in English 22 Jul 95

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur: Vietnam wants more Malaysian companies to play a bigger part in its economic transformation especially in the industrial sector.

Minister of Government Office Le Xuan Trinh said there were opportunities for Malaysians to get involved in the engineering, metal and chemical industries in Vietnam.

Trinh urged Malaysian cement producers to set up plants there to take advantage of the massive infrastructural demands.

"We need to build five to six cement factories producing 10 million tonnes of cement per year," he said, adding that the current output of six million tonnes annually was not enough.

"No Malaysian companies have come forward to build cement factories even though we have a lot of raw materials," he said during a luncheon organised by Public Bank Bhd [company] yesterday.

He also encouraged Malaysians to get involved in other sectors such as forestry, food processing and seafood.

Another pressing need was for a refinery to refine between six million and seven million tonnes of petroleum a year.

"We are trying to develop the oil and gas industry to produce 20 million tonnes of crude a year by the year 2000," Trinh said.

He said Malaysia ranked sixth in terms of foreign direct investment (FDI) in Vietnam.

"So far, 40 Malaysian companies have invested US$655 million (Malaysian ringgit 1.6 billion)," he said.

Trinh said future projections of GDP [gross domestic product] growth were between 10 and 12 percent annually with FDI injections for the first half of this year exceeding US$4 billion (RM9.8 billion).

Inflation remains a concern but Trinh said the present rate of 14 percent per annum was well below the astronomical 700 percent experienced before open market reforms were introduced.

Singapore

Implications of SRV Entry to ASEAN Viewed

BK2607074795 Singapore BUSINESS TIMES in English 25 Jul 95 p 4

[From the "Asian View" column by regional analysis editor Yang Razali Kassim: "Reconfigured Asean will make presence felt in Asia-Pacific"]

[FBIS Transcribed Text] The maturing of Asean takes place this week in Brunei marked by a series of big events that is bound to have a long-term impact on the political and security landscape of the Asia-Pacific.

The first is the transformation of Asean from a club of six South-east Asian states into one that cuts across ideologies possibly even bringing together the whole of South-east Asia.

Starting this integrationist trend is the historic entry of Vietnam, a former ideological foe, into Asean on Friday.

This new Asean — or Asean Mark 11 — will be seven-strong and will combine the dynamic economies of Indonesia, Malaysia, Singapore, Thailand, Brunei and the Philippines, with the raw energy of a medium regional power that Vietnam is.

It is this new Asean that will then lead an important meeting of small, medium and big regional powers in the Asean Regional Forum (ARF) on Aug 1 to flesh out a blueprint to rebuild the Asia-Pacific security architecture.

The impact of a new Asean will also be immediately felt by the big powers. When the expanded group meets its key trading partners the following day, the US will come face to face with a country it has tried to ignore for many years since the end of the Vietnam War but which it has now to acknowledge and accept.

The beefing-up of Asean's strength with the entry of Vietnam will give the group a stronger sense of confidence as it expands its influence to the rest of South-east Asia.

The Aseanisation of Southeast Asia will also extend to Laos, which has already subscribed to the Asean Treaty and to Cambodia, which will follow suit on Friday, soon after Vietnam's entry. As subscribers, they become Asean observers.

Fven Myanmar's [Burma's] link-up with Asean, initially as an observer, has become an immediate possibility, officials say, especially given the improving domestic situation in Yangon [Rangoon].

No wonder there is an air of optimism that the vision which Asean's founding fathers had of a united South-east Asia may soon be realised. Asean officials think an "Asean 10" can even be achieved by the end of this century.

With a new member in its ranks, Asean will have more weight to back its words as it guides the ARF to influence the direction in which the security landscape in the Asia-Pacific will eventually evolve.

It will be interesting to see how, with Vietnam on its side, Asean will manage the diplomatic challenge posed by an increasingly assertive China, without turning Beijing off.

The challenge that China poses is seen in the unresolved tension in the South China Sea, particularly the Spratlys dispute, and the missile and nuclear tests in North-east Asia which are rattling some nerves in that part of the world.

The ARF meeting this time is only the second since the forum was officially formed last year. But the forum is developing credibility so fast that expectations are high it can be an effective vehicle to manage the peace in the region.

To do so, however, the ARF will have to put more urgency in developing confidence and trust-building measures so that the simmering disputes in the South China Sea and in North-east Asia can be contained and resolved.

The Brunei meeting of the ARF may come out with something concrete. If it does, the new Asean would have underscored its growing influence in the Asia-Pacific without wasting too much time.

IHT Assessed Fine for 'Libelous Article'

BK2607125895 Singapore Radio Corporation of Singapore in English 1000 GMT 26 Jul 95

[All figures in Singapore dollars]

[FBIS Transcribed Text] The High Court has ordered the INTERNATIONAL HERALD TRIBUNE [IHT] to pay a total of $950,000 in libel damages to the top three ministers of Singapore. The IHT had alleged that the three leaders had practiced nepotism. Justice Goh Joon Seng awarded $350,000 in damages to Prime Minister Goh Chok Tong and $300,000 each to Senior Minister Lee Kuan Yew and Deputy Prime Minister Brigadier General Lee Hsien Loong.

In arriving at the amount, Justice Goh took into consideration the standing and position of the plaintiffs. He said the plaintiffs are the top three ministers of Singapore and the gravity of the allegation could undermine their ability to govern. He also considered the fact that the libelous article appeared in a reputable newspaper and was therefore likely to be believed. The issue of costs is still being decided with the plaintiffs asking for full coverage of legal costs. Justice Goh will give a written judgment at a later date.

Cambodia

Khmer Rouge Reject Border Accords With Laos

BK2607054395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 25 Jul 95

["Communique" issued by the spokesman of the Provisional Government of National Union and National Salvation on 25 July; place not given]

[FBIS Translated Text] The communist Vietnamese in Hanoi recently sent a Lao puppet named Somsavat Lengsavat, the Lao foreign minister, to Phnom Penh to sign agreements on the Cambodian-Lao border and other issues with the traitorous two-heads, communist Vietnam's lackeys.

The aim of communist Vietnam is:

1. To achieve communist Vietnam's Indochinese Federation strategy in Cambodia and Laos under the control of communist Vietnam, the master of the Indochinese Federation. At the same time communist Vietnam has made efforts to consolidate what it calls the special solidarity among Vietnam, Laos, and Cambodia, a slogan covering up the stinking communist Vietnamese Indochinese Federation.

2. To demolish the Cambodian-Lao border in northern Cambodia to allow millions of Vietnamese in Laos to flow into Cambodia. Communist Vietnam has already demolished the Cambodian-Vietnamese border in eastern Cambodia; over 4 million ethnic Vietnamese have come and are annexing Cambodia. Communist Vietnam has also dissolved the Cambodian-Lao border with the aim of allowing ethnic Vietnamese to plunder and take over all Cambodia's rice fields, villages, rivers, lakes, and resources to annihilate the Cambodian nation and people.

3. It should be recalled that Vietnam has been demolishing the Vietnamese-Lao border since 1977. The Cambodian nation and people and the Provisional Government of National Union and National Salvation [PGNUNS] have opposed and absolutely continue to oppose communist Vietnam's Indochinese Federation strategy so as to safeguard the Cambodian nation and race and prevent Cambodia from becoming a second Kampuchea Kraom [former Cambodian territory annexed by Vietnam].

Communist Vietnam and its puppets have no right whatsoever to discuss Cambodia's territorial integrity. Communist Vietnam and its puppets should respect Cambodia's territorial integrity, independence, union, and sovereignty as officially recognized by the international community between 1963 and 1969. The October 1991 Paris agreement also recognized this. Communist Vietnam itself solemnly and officially recognized this in 1967.

The firm and resolute stance of the Cambodian nation and people and the PGNUNS, both now and in the future, is to oppose and consider null and void all agreements between communist Vietnam and its puppets and between Laos and the two-heads on the border issue and other matters.

25 July 1995

The PGNUNS spokesman

Khmer Rouge 'Minister' on Territorial Integrity

BK2607025595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 25 Jul 95

[Interview with Chan Youran, deputy prime minister and minister of foreign affairs and of the protection of culture, literature, and customs of the Provisional Government of National Union and National Salvation by an unidentified correspondent on 25 July; place not given — recorded]

[FBIS Translated Text] [Correspondent] We are the representatives of the radio of the Provisional Government of National Union and National Salvation. We would like to ask Your Excellency: As minister of foreign affairs, how do you view the concern of our nation and people in all circles regarding Vietnam's nibbling of our territory in the east? Please discuss this.

[Chan Youran] There are a lot of problems, national and social, that concern me as well as the nation and people regarding the disappearance of our nation and race, in particular the issue of our land and maritime borders with Vietnam. The king has repeatedly talked about the danger of Vietnam annexing Cambodian territory. Political personalities and our compatriots in all circles have constantly expressed their concern over Vietnam's annexation of tens of thousands of square kilometers of our territory in eastern Cambodia.

In fact, Vietnam has annexed large chunks of our territory from the Dragon Tail area in Ratanakiri Province down to the sea and islands in Kampot and Koh Kong Provinces. Ethnic Vietnamese live everywhere in this region. The area is under direct Vietnamese administration. Vietnam has annexed all our people's land, lakes, rivers, and forests. This is why many of our people have fled to Phnom Penh to protest and demand the return of their villages and land.

In Cambodia's hinterlands, ethnic Vietnamese have gradually taken over all our people's land, rice fields, rivers, lakes, and resources. Millions of Vietnamese are everywhere; they continue to flow into the country. They are taking land and jobs from our people. This is why our people are becoming poorer and poorer. Millions have died of hunger. This is pathetic. Personally, I am very shocked. Throughout my life I have never witnessed such a situation. My parents and grandparents never witnessed such a situation.

What is the cause of this? The root cause is the continuation of the Vietnamese aggressors' 17-year war. If this situation drags on, our nation and race will certainly be finished. Cambodia will become a second Kampuchea Kraom [former Cambodian territory annexed by Vietnam]. Any compatriot with a sense of national conscience cannot accept this.

Let me stress this: This situation seriously affects our country's sovereignty and territorial integrity.

[Correspondent] Please talk about our border with Vietnam. Is there anything concrete?

[Chan Youran] As one of the people formerly responsible for the Ministry of Foreign Affairs of the Kingdom of Cambodia, I am familiar with this issue.

1. During the time of French colonial rule over Cambodia, Laos, and Vietnam, France laid out the Vietnamese border. At that time France annexed a large portion of our territory to make it part of Cochinchina. Kampuchea Kraom was given to Vietnam and is currently part of southern Vietnam. Later, Kaoh Tral Island was given to Vietnam. This is a big island next to Kampot Province. Our nation and people know all of this. Despite this injustice, the Kingdom of Cambodia painfully accepted the border set by the French colonialists. This was to preserve our land with its sovereignty and territorial integrity and save it from disappearing, and also so that Cambodia and Vietnam could coexist peacefully.

2. Let me inform you and all of our beloved compatriots that, within the Cambodian framework, the French colonialists published and officially used a 1:100,000 scale map. Everyone used that map until 1970.

3. Our Cambodian territorial integrity, as set out in this 1:100,000 map, was recognized by the international community between 1963 and 1969. Pham Van Dong, then prime minister of Vietnam, solemnly recognized this border on 8 June 1967. Nguyen Huu Tho, then chairman of the Front for the Liberation of South Vietnam, also solemnly recognized this border on 31 May 1967. Therefore, in terms of international law, this issue should not be discussed again. Everyone should respect this border for the sake of the common interest and in the name of sovereign countries abiding by international law.

4. In this spirit, the October 1991 Paris agreement clearly stated:

a. All treaties and agreements affecting Cambodia's independence, sovereignty, unity, and territorial integrity are considered null and void. This means that treaties and agreements between Vietnam and the puppet regime in Phnom Penh between 1979 and 1991 should be annulled. This also means that Vietnam must return Cambodian territory that it has illegally annexed — territory that the Communist Party of Vietnam forcibly annexed through brute force and so-called agreements in its role as an aggressor and invader in Cambodia. This territory should be returned to Cambodia.

b. The international community should respect Cambodia's territorial integrity and absolutely not violate Cambodia's territorial integrity, independence, unity, or sovereignty.

It is very regrettable that the SRV continues to trample on Cambodia's territorial integrity and violate the Paris agreement. This is a major international law signed by 18 countries and sponsored by the United Nations. In acting this way, Vietnam has confirmed to the world that it does not want a comprehensive political solution to the Cambodian problem. Vietnam has clearly showed the world that it has not abandoned its ambition to annex Cambodia.

[Correspondent] What is your view of solving this problem and safeguarding our territorial integrity?

[Chan Youran] Our nation and people clearly understand this danger; it directly affects the survival of our Cambodian nation and race. All Cambodians with a sense of national conscience will absolutely not agree to let Cambodia become a second Kampuchea Kraom.

To solve this problem, first, we must work together to end the war quickly. This war seriously affects our independence, sovereignty, national unity, and territorial integrity. Second, our entire nation and people should come together, unite, and reconcile. No single party can resolve this national problem alone. Therefore, national reconciliation and national union within a greater family is necessary. No patriotic force should be left out. This is the resolute will of our entire nation and people both inside and outside the country.

In this spirit, I have personally made efforts to work with all compatriots who have a sense of national conscience. I do not consider anyone's political colors as long as the nation is safeguarded. This is the only way we can preserve our Cambodian territory for our children and grandchildren. We have no other heritage to leave to future generations.

Furthermore, our nation has never wanted to be an enemy of any country. We ask no more than this. We only want the right to live in an independent, sovereign, and unified Cambodia with its territorial integrity. In its relations with countries near and far, we absolutely stand by international law, the UN Charter, and the Five Principles of Peaceful Coexistence; namely, the principles of respecting territorial integrity and sovereignty, nonaggression, noninterference in internal affairs, equality, and mutual benefit and the principle of peaceful coexistence. Our nation and people want to live in a genuine democracy, a multiparty parliamentary regime, and a genuine market regime like the ASEAN countries. In my view, Western countries also have a role to play in restoring genuine national reconciliation and peace in Cambodia.

This is the request of our Cambodian nation and people. It will also benefit the Western countries and other countries. It will benefit peace and security in the region and the world.

To achieve this, realism should be adhered to and the real situation in Cambodia taken into proper consideration. The general aspiration of the countries in the region should be considered instead of insisting on slashing and throwing away Cambodia's good flesh while keeping the rotten flesh. This cannot be done.

Look at past experiences; this has solved nothing. It only complicates things and makes them more serious, leading to an impasse. Therefore, the solution is to look at the real situation and also consider all the realistic factors. The current era is one of talks, talks, talks; it is a thousand times better than war.

[Correspondent] Thank you, Your Excellency. May you be blessed with good health and success always.

Philippines

Ramos Allays Fear of War Over Spratlys

BK2607090995 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 26 Jul 95

[FBIS Translated Text] [Studio newscaster Lito Villarosa] We have a report from our colleague Norilyn Temblor direct from Malacanang Palace in connection with President Ramos's weekly news conference.

[Temblor] President Fidel Ramos today allayed fears by some groups that the Philippines is preparing for war in view of the Spratlys issue.

During Ramos's weekly news conference, which just concluded, Ramos clarified and supported the statement released by the Department of National Defense, the Armed Forces of the Philippines, and the Department of Foreign Affairs that the training conducted by U.S. Commandos and Philippine Navy Seals is part of the implementation of the Mutual Defense Board [as heard] between the Philippines and the United States.

It will be recalled that when the report came up, many feared that this is Manila's preparation for war over the Spratlys issue where disagreement with China continues because of the latter's building of structures and facilities on part of the Kalayaan Islands, which is Philippine territory.

The president stressed that the public should not be alarmed by the exercise because this is an annual air, land, water exercises, military exercises, shoulder-to-shoulder exercises between the United States and the Philippines.

Ramos, however, reiterated that whatever disagreement there may be between Manila and Beijing on the Spratlys issue, this should be resolved in a diplomatic and peaceful manner.

Kyrgyz President Arrives on Official Visit

BK2407061495 Quezon City Radio Filipinas in English 0230 GMT 24 Jul 95

[FBIS Transcribed Text] Krygyzstan President Askar Akayev arrived Sunday [23 July] for a two-day official visit to the Philippines and a meeting with a regional international lending institution headquartered in Manila. Arriving from a five-day visit in Malaysia, Akayev, accompanied by his wife Mairam and a 23-member delegation, was welcomed at Manila's international airport by Foreign Affairs Secretary Domingo Siazon.

Akayev has to confer today with officials of the Asian Development Bank, of which Kyrgyztan is the 26th largest shareholder. The 55-member organization is a major source of development funds and expertise (?information) for the Asia-Pacific region. On Tuesday, Akayev has to confer with President Fidel Ramos and is expected to sign cooperation agreements on trade, science and technology, culture, and education. Akayev also has to meet with Filipino businessmen, [word indistinct] government officials, and (?four) various business establishments and historical sites before leaving on Wednesday.

Cooperation Agreements Signed With Kyrgyztan

BK2607052295 Quezon City Radio Filipinas in English 0230 GMT 26 Jul 95

[FBIS Transcribed Text] The Philippines and Kyrgyz Republic yesterday signed an agreement to promote bilateral cooperation in economic, trade, scientific, technological and other fields of mutual interest. The signing, witnessed by President Ramos and Kyrgyz President Askar Akayev, was held in Malacanang. Akayev is in Manila for a four-day state visit, the first Kyrgyz leader to visit the Philippines. His visit ends today.

The agreement was signed by Foreign [Affairs] Secretary Domingo Siazon Jr. and his Kyrgyz counterpart Minister Roza Otunbayeva. The two countries cited the importance to broaden mutual cooperation in various fields to promote bilateral trade and contribute to the cause of international peace and stability particularly in Asia. They also agreed to cooperate in the political, economic, trade, scientific, technological, industrial, transport, cultural and other fields on the basis of equality and mutual benefit. Focus will likewise be made to promote development cooperation in education, culture, arts, tourism, sports and exchanges of information.

The signing ceremonies were preceded by arrival honors for the visiting president at the new executive building grounds at 10 AM [0200 GMT]. Akayev, his wife Mairan Akieva and members of the Kyrgyz delegation were accorded the traditional 21-gun salute by the army guards of the Presidential Security Group. Bilateral talks immediately followed the welcoming honors at the State dining room.

In a joint press conference that followed the talks, President Ramos elaborated on the agreements saying that the two countries will promote bilateral trade, science and technology, transfer of small and medium scale industries, education including training of the English language for Kyrgyz people and sports, notably basketball which is also very popular in Kyrgyztan.

Akayev said that he is confident that the newly signed friendship and cooperation between his country and the Philippines will flourish, singling out tourism as his favorite area of cooperation. Akayev said that the Philippines is considered by the Kyrgyz people as the mecca of tourism in the next century. Akayev also cited Mr. Ramos's leadership qualities especially in initiating (reforms) for the welfare of the Filipino people. He expressed confidence that the president will be able to achieve his goals of a progressive Philippines as expended in a 35 minute state-of- the-nation address on Monday [24 July].

Akayev and his delegation arrived Sunday for the four-day visit.

Thailand

U.S. Warned Not To 'Interfere'

BK2607040195 Bangkok BANGKOK POST in English 26 Jul 95 p 2

[FBIS Transcribed Text] The United States was warned yesterday not to "interfere" in Thai affairs in the absence of concrete evidence substantiating its allegations that certain Thai politicians have been engaged in narcotics trafficking.

The message was conveyed diplomatically but clearly to outgoing U.S. Ambassador David Lambertson.

During a 50-minute discussion, Foreign Minister M.R. Kasem S. Kasemsi told Lambertson of the possible "misunderstanding" experienced by some Thais as to why the U.S. authorities have not been able to come up with evidence to back up their accusations.

Kasem told reporters afterwards: "I drew attention to what in the eyes of the Thai people is U.S. intervention in Thai affairs, which may cause bad feeling.

"He stands firm on the U.S. position, by reference to that country's domestic regulations. So I told him that Thai politicians or government officers would not seek to 'protect' the U.S. over the deeds of its citizens in this way.

"It cannot be said that the U.S. is not interfering with us people have different perceptions of what is at stake. So at this stage we have had to shelve the issue."

According to a Chat Thai source, Prime Minister Banhan Sinlapa- acha has told Kasem to hold consultations with the U.S. authorities to settle the affair.

Banhan wants to remove the uncertainty surrounding his senior members, Samut Prakan MP Watthana Atsawahem and ex-Phrae MP Narong Wongwan.

He wants to set up a committee to look into any possible evidence showing that the two MPs were involved in the drug trade.

Kasem said Lambertson is against setting up such a committee, for the reason that the issue is an internal Thai affair.

He said Lambertson denied that the U.S. Government has a blacklist or has made public the names of persons suspected of involvement in international drug trafficking.

Kasem said he made it clear to Lambertson that the Thai people should have the right to defend themselves against such accusations.

"I've tried my best to protect the rights of the Thai people, and will continue doing so until our people are fairly treated," he said.

Lambertson brought with him a letter of congratulations from U.S. Secretary of State Warren Christopher on Kasem's appointment as foreign minister.

Meanwhile, Chat Thai executive member Chongchai Thiangtham said yesterday a committee should be set up to resolve allegations of involvement in drug trafficking levelled against two new ministers.

Ministers with initials "P" and "O" in the Banhan administration were allegedly denied visas by the United States.

They are said to be members of Chat Thai, the core of the Government.

Mr Chongchai said the issue could tarnish the image of all MPs, especially Chat Thai's.

The party needed to settle the issue promptly by setting up an investigation committee in addition to one earlier proposed by Surakiat Sathianthai to clear the claims against the party's deputy leader Watthana Atsawahem and the Thoet Thai faction's former leader Narong Wongwan, he said.

He refused to talk in detail about the issue, saying he might be thought of as jealous if he levelled too much criticism. But he said he believed the latest allegations were not entirely groundless, since the U.S. would not say anything without evidence.

He noted the case of Thanong Siriprichaphong who was to be sent for trial in the U.S.. Mr Chongchai said there should be no problems for the Government to ask for information from the Narcotics Control Board and U.S. agencies.

Deputy Science, Technology and Environment Minister Udomsak Thangthong, with the initial "O" ["O" in Thai represents "U" as a consonant at the beginning of a word], denied he is on the U.S. blacklist.

Mr Udomsak said he had never been involved in drugs trafficking and such an allegation could destroy him and his family.

He said he believed there was a political motive behind the issue.

Prime Minister's Office Minister Piyanat Watcharaphon who has the initial "P", said he felt uneasy.

He asked those who made the claims to provide more than just an initial.

He said he had been in the U.S. and returned to Thailand in early May without any trouble.

French Envoy Seeks Support for ARF Entry

BK2607121095 Bangkok THE NATION in English 26 Jul 95 p A5

[FBIS Transcribed Text] The French ambassador yesterday attempted to gain support for France and Britain's entry into the ASEAN Regional Forum [ARF] as full members after formal talks in Bangkok with Foreign Minister Kasem S. Kasemsi.

Jaques Rummelharelt told reporters after paying a courtesy call on Kasem that as a permanent member of the United Nations Security Council, the highest body overseeing world security, France could contribute to peace and security in the region.

"We would like to become a member of the ARF. Unfortunately up until now we have not been.

"We would like to participate as a full member to be able to contribute more to security in the region," he said in his statement to the press.

He said France and Britain were the only two countries boasting nuclear power.

He said if the ARF discusses France's decision to resume nuclear testing on Mururoa Atoll from September to May next year, it would be viewed by the French as unfair.

"Since we are not in the ARF meeting it would be unfair to raise an issue without us being present to present our case," he said.

He said France needed to conduct eight nuclear tests so it could gain scientific knowledge.

France supports the Nuclear Comprehensive Test Ban and has pledged to sign the treaty next year.

A meeting of the ASEAN Regional Forum will be held for the second time in Brunei on August 1.

France and Britain have both expressed a keen interest in participating in the next meeting of ARF.

Kasem has also met Malaysian Ambassador, Dato Zainal Aleidin Bin Alias, Japanese Ambassador, Takashi Onda, and the outgoing American Ambassador David Lambertson.

Washington asked Thailand to increase its contribution to the construction of light water reactor in North Korea replacing its graphite reactor.

Army Official Questions Invitation to Suu Kyi

BK2607102995 Bangkok THE NATION in English 26 Jul 95 p A2

[FBIS Transcribed Text] A senior army official yesterday questioned the decision of Thammasat University to renew its invitation to Burmese opposition leader Aung San Suu Kyi to visit Thailand to receive an honorary doctorate in political science.

"I don't know what their real motive is. They need to weigh the pros and cons (of inviting Suu Kyi)," said Lt Gen [Lieutenant General] Bandit Malai-arisun, commander of the First Army Region.

Anek Laothammathat, vice rector of Thammasat, told THE NATION yesterday the university decided in 1991 to confer the honorary doctorate upon the Burmese opposition leader. "It is in honour of her peaceful struggle for democracy in her country," he said.

Suu Kyi was placed under house arrest one year before the National League of Democracy, the political party she co-founded, won the general election in May 1990.

Anek said the university has renewed the invitation to Suu Kyi in the wake of her release. "Since we have no channel of communication with her, we want the media to pass on the message to her," he said.

Anek said because Suu Kyi had indicated she would travel to Oslo to receive the Nobel Peace Prize she won in 1991, she could therefore stop over in Bangkok to accept the degree.

Lt Gen Bandit said yesterday the invitation would have both positive and negative effects. "It would be alright if it does not have an impact on our relations with our neighbour," he said.

Anek said the decision to award Suu Kyi the honorary degree was made by the university council after consultation with Foreign Ministry officials.

'Compromise' Course for Burma's Suu Kyi Viewed

BK2607075195 Bangkok THAILAND TIMES in English 26 Jul 95 p A4

[Article by Dr Likhit Thirawekhin, political science lecturer of Thammasat University: "Ang San Suu Kyi and Political Realism"]

[FBIS Transcribed Text] To be elated and overcome with euphoria happens to everybody once in a while. For many democracy fighters, the release of the dissident Aung San Suu Kyi by the SLORC [State Law and Order Restoration Council] was certainly met with euphoria. Aung San Suu Kyi has been a symbol of hope and democracy for many Myanmars [Burmese] who viewed the junta as an oppressive regime plunging the country into a dark, hopeless future. To them, Suu Kyi was the savior. She was the daughter of Burma, the motherland.

Amidst this euphoria and optimism, Suu Kyi realized that things might not be that rosy. She treated her release with caution. Indeed, she warned those who might be carried away to become cautiously optimistic. She even said that investors should wait instead of rushing in.

After all, a liberal decision to release her unconditionally could turn around 180 degrees if the junta becomes convinced that she is becoming too dangerous or too troublesome politically. It is no secret who is in control.

Holding absolute power notwithstanding, the junta has to maintain an image of being law abiding. They have to show that they too adhere to legal technicalities. The house arrest had reached the maximum amount of time allowable by law. In the face of international pressure, most especially that of the U.S., further detention would have been harmful.

Indeed, given that the economy has been picking up measured in terms of export earnings and the growth of the tourism industry, the release of Aung San Suu Kyi was well thought out. Of equal importance, the long years of tenure have created a sense of confidence among the top brass, especially after the military successes over the Karens.

Despite the "closed door" policy, the junta is not unaware of international and regional situations. Sensing that further isolation would only backfire, the junta decided to take the lid off to release some political steam. The need to change its image to smoothly facilitate its acceptance into ASEAN is not to be ruled out here. In the face of tough economic sanctions on the part of the U.S., the decision was necessary. The release of Aung San Suu Kyi thus stemmed from the right chemical mix.

Although the release of Suu Kyi could be taken as a harbinger of political change which should be gratifying, political realism dictates that she has to move cautiously. Excessive demands may alienate the junta and might play into the hands of those who were against a change of policy.

Moreover, the demand for a democratic form of government may have to take into account the hard fact of life that those who hold the reins of power seldom let go of them unless absolutely necessary. Thus, the political system which will likely emerge after the finalization of the constitution will be some type of hybrid system which will allow the military to hold on to power while allowing room for democratic forces to take up an appropriate role.

As such, a compromise will be the order of the day. To be sure, in the eyes of many Burmese and international watchers, such a system will leave much to be desired and it might be interpreted as a cover-up for the real political system in which the powers-that-be can continue to cling to the power positions while giving out only the image of a democracy.

But this scenario will correspond to political reality which Aung San Suu Kyi cannot deny. Indeed, a Burmese scholar and freedom- fighter once even suggested a halfway democracy a la the Thai political system under General Prem Tinsulanon as an alternative for his home country.

But one problem is that most freedom fighters fail to recognize the need to compromise in politics. Once the issue of politics becomes a zero-sum game, it will pose a problem which cannot be resolved. For it will emotional elements which cannot be settled rationally. There are those who are willing to die for a just cause. The famous citation, "give me liberty or give me death", is noncompromising and people who believe such phrases will be willing to fight to the death in the hope of becoming a martyr.

But at this critical juncture in time of national reconstruction for Myanmar, Burmese patriots are not be able to afford any more bloody political turbulence. The situation calls for a compromise and mutual understanding between two contending factions, the military and the democratic forces.

If there is any hope at all in bringing Burma out from the political trap of confrontation, great sang-froid will be needed. Reconciliatory gestures and mutual trust are necessary if the two sides hope to work together. If anything, a symbiotic relationship must be worked out with the ultimate goal of national interest maintenance as the unifying torch.

The question is whether Aung San Suu Kyi can have the free will to proceed with her political activities. As in other cases Suu Kyi has become a public figure and is subject to popular pressure. She is expected to liberate the people from misery and to turn the country into a democracy. Rising expectations will become increasing burdensome as time progresses. The danger is that given the prevailing political reality, Suu Kyi simply will not be able to accommodate the people's demands. But the mounting pressure may land her in a corner. If she reacts unscrupulously, she will plunge herself into political quagmire, if not quicksand.

It will be remembered that when Bangladesh was attaining her independence by seceding from Pakistan, large crowds cheered for the return of a hero named Mujib who was seeking political exile in London. He did come back and took the reins of power but in no time he was turned from a hero into a failure. The poor man and his family were massacred.

Aung San Suu Kyi is certainly not in an enviable position. She is shouldering a great burden. She sits in the hearts of many Myanmars as a savior and a liberator. But there is limit to what she can do. She has to make sure not to disappoint the people. If she fails that, it will turn her into a person who may be hated by those who once worshiped her.

How she walks this tightrope is a most intriguing question. In the final analysis, she cannot do otherwise but bow to political realism marked by discretion, caution, compromise and patience. This will be the only path she can tread if she wants to avoid plunging the country again into political turmoil which would evolve into another period of dictatorship for the military will certainly not allow the country to plunge into anarchy. The day Aung San Suu Kyi attained her freedom has thus become the day she had to start her long and painful political crusade.

Commander on Minister's Role in Reshuffle

BK2507065095 Bangkok THE NATION in English 25 Jul 95 p A2

[FBIS Transcribed Text] Supreme Commander Gen [General] Watthanachai Wutthisiri hinted yesterday that the military would not let Defence Minister Chawalit Yongchaiyut interfere in the annual military reshuffle.

Watthanachai said he had received the reshuffle lists submitted from the Navy, Army and Air Force.

The lists would be forwarded to Gen Chawalit by the end of next month.

"We have yet to consult one another since the lists were submitted. We can't let the defence minister consider the lists on his own. The issue should be considered by a number of people," Watthanachai said.

A former Army chief and supreme commander, Chawalit had said earlier that he would not be "a rubber stamp" when it came to approving the reshuffle.

Army chief Gen Wimon Wongwanit had previously warned that politicians should not intervene in military affairs if they don't want the military to interfere in politics.

Watthanachai said he hoped Chawalit knew how to handle military affairs accordingly.

Halt to Influx of Illegal Immigrants Urged

BK2607044595 Bangkok BANGKOK POST in English 26 Jul 95 p 6

[FBIS Transcribed Text] Chiang Mai — Thailand needs to stop the influx of people from neighbouring countries especially along the northern border with Burma as it is causing social problems and affecting national security, National Security Council secretary- general Charan Kunlawanit said yesterday.

Gen [General] Charan made the statement during a speech at the seminar of the Office of Highland Development and Cash Crop Planting Control, Third Army Area at Duang Tawan Hotel, Chiang Mai.

Attending the seminar on "the new master plan to develop the highland community over the next five years," were 170 officials of six concerned ministries, provincial sectors and non-governmental organisations.

The new plan on developing the standard of living of highland people and a drug suppression policy will be linked with the Quadrangle Economic Cooperation Plan to open the northern border to neighbouring countries to boost economic cooperation.

Gen Charan said it is good to anticipate possible problems from such plans as it will help Thailand to prepare for them. It will have to know how to cope with drug and human trafficking along the new route.

He added that it is necessary to contain immigrants along the Thai-Burmese border in certain settlements so as to send them back home whenever the situation allows. It would also prevent them from migrating further into Thailand.

Official figures show Thailand has about 570,000 hilltribe people in 20 provinces, mostly in the North. But the actual number is over 700,000. The migration along the Thai-Burmese border has added more to the number.

More than 80,000 Burmese immigrants, forced to leave their home by fighting at the border, are currently accommodated at about 22 temporary shelters along the border in Chiang Rai and Mae Hong Son.

"We are trying to reduce the number of temporary shelters as to be easily taken care of because they cost money. We pay 20 baht each day for each person in the temporary shelters," he said.

"Thailand cannot push them back to Burma while fighting is going on as this is against human rights," Gen Charan said.

Thailand has spent more than 489 million baht during 1992-1995 on developing hilltribe life. In 1996, the Government is expected to allocate around 271 million baht for such work.

The immigrants are at risk of being exploited by human traffickers in Thailand, he said.

"The temporary shelters will also save these immigrants from being exploited either as cheap labour or sold into prostitution. The NSC has a list of human traffickers but needs cooperation from the public to report such cases as well," he said.

Gen Charan estimated Thailand currently has more than 300,000 Burmese immigrants. It is hard to think about the number of Chinese aliens in Thailand but police arrest around 300 of them every month.

He expressed optimism that these people would want to return home when the fighting ends.

Finance Minister Surakiat Rejects Budget Hike

BK2607053595 Bangkok THE NATION in English 26 Jul 95 p B2

[Report by Sirin Phalasi]

[FBIS Transcribed Text] Finance Minister Surakiat Sathianthai confirmed that the budget will not be increased by another Bt15 billion following the projected income increase made by the new government.

He said that adding another Bt15 billion to the new budget would probably lead to uncontrollable inflation due to rising agricultural prices which will boost the consumer price index.

"I will not let the government raise the budget by another Bt15 billion for sure even though we have the revised projected income figure. This is because we expect the consumer price index to increase due to higher agricultural product prices. If that amount of money is added, it would make the government's burden for inflationary control too heavy," he explained.

Surakiat said the government has not figured out exactly how much more it will add to the new budget. This will depend on the projected expenditure study and the inflation control measures.

He said he has talked with the Budget Bureau and the central bank and the budget may have to be revised upwards slightly while the projected expenditure study will last for at least two years.

Surakiat has now set up a working committee responsible for the budget revision presided over by himself and composed of the governor of the central bank, secretary of the National Economic and Social Development Board, the Cabinet secretary, the director of the Budget Bureau, and Deputy Prime Minister, Amnuai Wirawan, acting as an adviser.

Surakiat pointed out that Bt15 billion, if added to the budget, is only one per cent of the Bt832.2 billion Chuan government budget. This would make the annual budget increase by 17.9 per cent from the previous year.

"The annual budget increase is acceptable if it does not exceed 18 per cent, while inflation at five per cent is manageable," Surakiat said.

Surakiat has set the budget as his first priority at the Finance Ministry. His second and third priorities are inflationary control measures and reducing the current account deficit.

Government's Ideas for Bureaucratic Reform Noted

BK2607054195 Bangkok THE NATION in English 26 Jul 95 pp A1, A2

[Report by Surachai Chuphaka and Charuwan Loetwinyu]

[FBIS Transcribed Text] Although the Banhan government would not unveil the specifics of its bureaucratic reform policy before Parliament today, it does have few ideas for increasing internal government efficiency.

According to sources advising the prime minister, several new ministries will be created as spin-offs of existing ministries and deputy ministers will be excluded from Cabinet meetings. Attendance at the meetings will be restricted to ministers only.

To simplify the plan to create more ministries, the administration will seek more executive power. The extra power would allow it to set up new ministries with executive decrees, instead of through bills that require Parliamentary debate, they said.

A tentative list of new ministries indicates the new units will basically be larger departments of existing portfolios. For example, the Physical Education Department of the Public Health Ministry will be spun-off into a sports ministry.

As well, the Department of Mineral Resources will be separated from the industry ministry. Also, separate communications and transport ministries will be created. Another new unit may also be established to handle international trade and economic policy.

Revolutionary Party announcements numbers 216 and 218 currently require the government to introduce legislation to Parliament to create new ministries. If the government acquires the power to issue executive decrees it will make creation of the new units easy; the laws will only have to be endorsed by Parliament.

Banhan's advisers have also floated the idea of changing how the Cabinet functions. The first step would be to restrict attendance at Cabinet meetings to ministers, in a way similar to the U.S. system.

The need to limit attendance is caused by the immensity of the 49-member Banhan Cabinet — the maximum size allowed by law. Cabinet regulations will have to be amended if the attendance requirement is altered, but there could be strong opposition from deputy ministers, some of whom are powerful members of the seven-party coalition government.

To overhaul the bureaucracy, the Chuan government approved a Bt300 million budget to "re-engineer" government units by promoting well-managed internal ministry departments. The Revenue Department, for example, is a prototype of the Finance Ministry, now under Surakiat Sathianthai.

Vietnam

MIA Investigators End 34-Day Search Mission

BK2607104095 Hanoi Voice of Vietnam in English 1000 GMT 26 Jul 95

[FBIS Transcribed Text] Investigators ended a 34-day search in Central Vietnam on Tuesday after finding bone fragments and other personal remains of U.S. soldiers and airmen unaccounted for. The mission, the 36th in a series that started in 1988, is the first to be completed since President Clinton announced that the United States will established full diplomatic relations with Vietnam.

American and Vietnamese specialists digging at 13 sites in Central Vietnam recovered what they think are servicemen's physical remains as well as aircraft wreckage and a ring belonging to a missing marine pilot, said Air Force Major (Randal Garrett), operations officer for the U.S. MIA [missing in action] office in Hanoi.

Vietnam's improved cooperation and accounting for American missing from the war was the main reason

President Clinton gave for establishing diplomatic relations with Hanoi. The U.S. Defense Department lists 2,202 Americans as unaccounted for from the war, 1,618 of them in Vietnam.

Foreign Minister on ASEAN, Christopher Visit

BK2607123395 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 24 Jul 95

[Station correspondent's report on Foreign Minister Nguyen Manh Cam's news conference in Hanoi on 24 July; portions recorded]

[FBIS Translated Text] Dear friends, in Hanoi this morning, Foreign Minister Nguyen Manh Cam held an international news conference with reporters from various mass media at home and abroad on Vietnam's membership in ASEAN and other issues. A large group of Vietnamese and foreign reporters attended the conference.

Answering a question on the significance of Vietnam joining ASEAN, Foreign Minister Nguyen Manh Cam said:

[Begin Nguyen Manh Cam recording] First, I would like to say that Vietnam membership in ASEAN is a logical step in the development of its relations with ASEAN. Second, it also shows the trend towards regional and global cooperation. This development testifies to the fact that nations are now inter-dependent. As a result, any country that wants to develop should integrate itself into the world community. Vietnam membership in ASEAN confirms this trend. Third, Vietnam's official membership in ASEAN and Cambodia becoming an ASEAN observer are new developments in the organization's efforts to increase regional membership. Fourth, we have witnessed ASEAN's significant role, especially its voice in the regional and international arena. ASEAN has also increasingly expanded ties with many countries in various regions and the world. Vietnam, with its open-door foreign policy, has established diplomatic ties with 155 countries. It trades with more than 100 countries, and has joint ventures with 50 countries. As a result, its membership in ASEAN will create conditions for both parties to expand ties with the world community. Finally, this development marks a turning point in ties between the nations of the region in the past half a century. There have been many ups and downs and occasional confrontations among countries of the region in the past half a century. Now, these countries have turned toward a new stage in cooperation for mutual development. [end recording]

Next, many reporters asked about the issues and problems of Vietnam joining ASEAN and the cooperation programs that it will participate in. Answering a question on the differences between joining ASEAN and other organizations, the Vietnamese Foreign Minister said:

[Begin Nguyen Manh Cam recording] Each organization has different objectives and requirements. Vietnam membership in ASEAN, in particular, conforms to the world development trends. First, it creates conditions for Vietnam to strengthen and contribute to the international trend. Second, it enables Vietnam to contribute more to regional development while affirming its wishes to integrate into the region and the world. [end recording]

On a question on challenges and opportunities for Vietnam in joining ASEAN, Minister Nguyen Manh Cam replied:

[Begin Nguyen Manh Cam recording] Vietnam will have good opportunities and face numerous challenges after it joins ASEAN. Membership will create conditions for Vietnamese enterprises to expand businesses with its trade partners in the region and the world. The challenge rests with the fact that Vietnam's pace of development is slower than that of other ASEAN member countries. As a result, Vietnamese enterprises must make greater efforts to improve their production and business capabilities to catch up with other nations. In Vietnam, we have a proverb which says: Difficulties shape human intelligence. I am convinced that with their intelligence and dynamism, the Vietnamese businessmen will do their best to catch up with developments in the region. This will benefit both Vietnam and regional countries. [end recording]

A foreign reporter asked whether the issue of conflicts in the Truong Sa [Spratly] Islands would be raised at the upcoming ARF [ASEAN Regional Forum] and what proposals on this would the minister make at the forum? The Foreign Minister said:

[Begin Nguyen Manh Cam recording] First, I would like to clarify that the issues of the Truong Sa and Hoang Sa [Paracel] Islands, as you friends here already know, are related to history, and international law and practices. Given Vietnam's continued occupation and peaceful management of the Truong Sa and Hoang Sa Islands, they should belong to Vietnam. Now, Hoang Sa has become a disputed area between Vietnam and China, while Truong Sa is disputed among six nations. These conflicts cannot be resolved overnight. Calm and patience is needed for it to be resolved. In finding a long-term solution, the countries concerned must maintain restraint while avoiding the use of arms to resolve the conflict. On the upcoming ASEAN Regional Forum, I have yet to receive the official agenda. However, if any country brings up this issue, I believe it will be presented in the spirit of the principles I have just mentioned and will be welcomed by many countries. [end recording]

Several reporters asked how many ASEAN cooperation programs Vietnam will take part in and what areas of cooperation it is interested in and so forth. Foreign Minister Nguyen Manh Cam replied that like other member countries, after joining ASEAN Vietnam will participate in AFTA [ASEAN Free Trade Area], CEPT [Common Effective Preferential Tariffs], and the Bali Amity and Cooperation Treaty.

Answering a reporter's question on how Vietnam will prepare staff and manpower to attend the almost 300 ASEAN conferences annually, the Foreign Minister said:

[Begin Nguyen Manh Cam recording] Before joining ASEAN, we already realized that it has many conferences every year. As a result, we have prepared sufficient cadres to attend these conferences. We will fulfill our duties as an official member of ASEAN after we join. Although our preparations may not be perfect, we will continue our efforts and will gradually meet all the requirements, and thus be able to attend and play a positive and effective role in all the conferences. [end recording]

The Vietnamese Foreign Minister also answered questions on the upcoming visits to Vietnam by Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher aimed at strengthening relations between Vietnam and Russia and the United States, especially in the economic and trade cooperation. Particularly, during U.S. Secretary of State Warren Christopher's visit to Vietnam, the two sides will discuss the opening of offices and setting up of services in the establishment of full diplomatic ties between the two nations.

Daily Previews Do Muoi Visit to South Pacific

BK2607103695 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 25 Jul 95

[FBIS Translated Text] At the invitation of the New Zealand Government and Australian Prime Minister Paul Keating, party General Secretary Do Muoi leaves Hanoi today [26 July] for an official visit to these two countries. This is the first visit by a top Vietnamese party and state leader to these two friendly nations in the South Pacific.

On this occasion NHAN DAN carries an editorial saying: Vietnamese relations with New Zealand and Australia in the past several years have developed remarkably. The exchange of high-level visits by delegations from various sectors and branches have contributed to promoting mutual understanding and trust. Economic and trade ties are still modest, and efforts are being made to expand them. New Zealand and Australia have highly appraised Vietnam's renovation and its policy of diversifying diplomatic' relations. They also support Vietnam joining ASEAN and participating in the regional cooperation mechanism, holding that this is a positive factor in the interest of peace and development in Asia and the Pacific.

Both New Zealand and Australia have expressed their wishes to expand ties with Vietnam in all areas and have affirmed that the potential in this regard is great.

With goodwill, determination, and the efforts from each side, it is certain that Vietnamese cooperation with New Zealand and Australia will be developed and consolidated remarkably. (endall) 252300 st/ng/aa NG512607.002 26/1039

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